

"Great Apartments Start Here!"

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May 18, 2020 Via Electronic Mail

Hon. Mayor Andre Quintero and Members of the El Monte City Council El Monte City Hall-East City Council Chambers 11333 Valley Boulevard El Monte, CA 91731

Re: Consider and Approve an Ordinance That (A) Repeals Prior Urgency Ordinance No. 2974 Which Established an El Monte Specific Moratorium On Residential and Commercial Evictions and (B) Establishes That El Monte Tenants Shall Instead Be Covered Under the Recently Updated County of Los Angeles Eviction Moratorium Which Extends to Incorporate Cities Within Los Angeles County (Agenda Item 13.2)

Dear Hon. Mayor Quintero and Members of El Monte City Council:

At the May 19th City Council meeting, an ordinance will be considered for adoption which would repeal the City's current urgency ordinance in favor of superseding to the Los Angeles County Board of Supervisors Executive Order/Eviction Moratorium as well as any future action taken by the County on this matter. As the City Council discusses and considers such action, we encourage the Council to recognize the value and importance of maintaining local authority over housing issues and the ability for the City Council to address the specific local needs and circumstances of all El Monte residents and housing providers, today and in the future. Further, we urge the Council to maintain its eviction moratorium and evaluate each of the County provisions individually to assess whether they should be incorporated into the City's current urgency ordinance.

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) urges the City Council to take a comprehensive 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 challenging time.

The Los Angeles County's temporary eviction moratorium includes a 12-month repayment period for past-due rent, prohibits evictions for unauthorized occupants, pets, or nuisance

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necessitated by or related to the COVID-19 emergency, and requires housing providers to accept a renter's "self-certification" of their inability to pay rent, among other revisions. The County's eviction moratorium raises several concerns, which we ask that the City Council take into consideration as you assess further action relative to the City's temporary eviction moratorium. Moreover, retaining local authority affords the City Council the opportunity to establish customized solutions for El Monte residents, otherwise not available if the Council repeals the City's urgency ordinance. Our concerns are outlined below:

Unauthorized Occupants, Pets or Nuisance

The County's eviction moratorium prohibits evictions for "unauthorized occupants, pets or nuisance as necessitated by or related to the COVID-19 emergency." Where a mutually agreed-upon lease agreement included prohibitions against pets or additional occupants, for example, the City's urgency ordinance should specify that following its expiration, the lease terms shall again govern and owner's right to enforce the lease shall no longer be impaired.

Harassment Provisions

The County's moratorium specifics that rental housing providers and their representatives are prohibited from harassing or intimidating renters "for acts or omissions expressly permitted under the Executive Order".

One of the primary missions of AAGLA is to increase professionalism among rental housing providers and to promote compliance with applicable laws and regulations. The Association does not condone or tolerate any form of renter harassment by our members under any circumstances. Accordingly, if the City Council adopts this provision of the County's order, it is important that further clarification be incorporated within the City's ordinance. For instance, in situations where a renter has not provided their rental housing provider the required notice of their inability to pay rent within seven (7) days after the rent was due, absent extenuating circumstances, and the rental housing provider serves the renter with a three (3) notice to pay rent or quit, service of such 3-day notice should <u>not</u> be deemed as harassment.

Repayment Period/Documentation/Self-Certification

The County's Order provides for a repayment period of twelve (12) months following the termination of the moratorium period and requires rental housing providers to accept "self-certification of tenants inability to pay rent" with no requirement to provide or retain verifiable documentation to support their inability to pay rent.

Currently, the City's urgency ordinance provides renters with one hundred and twenty (120) days from the end of the eviction moratorium to repay deferred, unpaid rent. We urge the Council to maintain the 120-day repayment period with the opportunity to revisit the issue upon the expiration of the eviction moratorium and the start of the repayment period. Adopting the County's current scheme would result in many housing providers not receiving any repayment for seventeen (17) months. This repayment period would significantly expand upon the City's current deferred rent

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repayment timeline. Further, if the City Council repeals the City's urgency ordinance, the Council would be precluded from considering any other repayment period or deferred rent repayment schedule, as outlined below, which may be mutually beneficial to housing providers and renters.

AAGLA has consistently recommended that renters and rental housing providers 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 adequately maintain the building for residents. 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.

The City of Glendale, recently adopted provisions that provide for a twelve (12) month repayment period, whereby the renter is required to pay at least 25% of the total amount of deferred rent quarterly over the course of the twelve (12) months unless an alternative mutually agreed upon plan is advanced. Moreover, the City of Glendale specified that if the renter terminates the tenancy during the repayment period, the total amount of deferred rent becomes immediately due. Without such parameters, the likelihood that renters may not make any portion of required deferred rent repayments until the end of the repayment period increases as does the possibility that the renter will move out prior to full repayment.

Another equitable approach that could be considered if the Council retains the City's urgency ordinance: rather than make renters' responsible for a potential lump sum payment of the deferred, unpaid rent due at the end of the twelve (12) months, we suggest that the City Council provide renters with twelve (12) months to pay such unpaid rent commencing with each monthly rental due date in which no or partial rent was paid. Through this type of repayment plan structure, renters would never be responsible for more than two (2) months' rent in any given month and owners would be more likely to recover deferred rent.

With regard to supporting documentation, the City's urgency ordinance requires renters who are unable to pay rent due to circumstance related to COVID-19 to provide "true and correct copies of verifiable documentation that reasonably corroborate any and all of the permitted reasons for non-payment of rent". The County's moratorium requires rental housing providers to accept "self-certification of tenants inability to pay rent". 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. Traditionally, government programs that provide financial and related assistance necessitate the provision of supporting documentation in assessing eligibility, similar requirements should be provided in these circumstances. We urge the City Council to maintain its current documentation requirement or at minimum, require renters to retain verifiable documentation such as termination notices, payroll checks, or medical bills depending on the individual's circumstances which is in line with Governor Newsom's March 27th Executive Order/Eviction Moratorium N-37-20.

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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 factor in determining an individual's eligibility.

Lastly, we also encourage the City Council to continue to seek additional ways to assist those in need such as through an emergency rental assistance program and provide interim relief by the temporary suspension of all City fees for businesses and suspension or grace periods for payments of the City's trash and sewage services for those who are impacted by the COVID-19 pandemic. The totality of all these City actions will serve to assist everyone facing financial hardships during the pandemic and will limit future economic instability after the emergency has concluded.

During the continuation of COVID-19 pandemic, we also urge the City Council to evaluate the situation in thirty (30) day increments and make decisions that are based on timely and presently known data. Accordingly, any extension of the temporary eviction moratorium should be for no more than thirty (30) days, which will enable the City Council to review recent developments and the option to extend the moratorium as needed. Los Angeles County and the Cities of Glendale and Santa Monica have taken this measured approach and have extended their temporary eviction moratoriums until June 30, 2020.

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 <u>danielle@aagla.org</u>.

Very truly yours,

Danielle Leidner-Peretz

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