

**Marina del Rey
Lessees Association**

C/o Mr. Timothy C. Riley, Executive Director
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April 3, 2020

The Honorable Janice Hahn
Supervisor, Fourth District
County of Los Angeles
Kenneth Hahn Hall of Administration
500 W. Temple Street, Room 822
Los Angeles, CA 90012

Dear Supervisor Hahn:

Governor Newsom's Executive Order N-37-20, issued on March 27, 2020, established protections for residential tenants and landlords for a period to be in effect through May 31, 2020, which the Association supports. By the Governor's order a residential tenant is protected from eviction for nonpayment of rent if the tenant is unable to work due to COVID-19, has been laid off, lost hours, suffered reduced income, or missed work due to child care obligations. The tenant must provide verifiable documentation of these circumstances by producing termination notices, payroll checks, pay stubs, bank statements, medical bills or signed letters or statements from an employer or supervisor to explain a tenant's changed financial circumstances.

The members of the Marina del Rey Lessees Association believe that the Board of Supervisors should act consistent with the Governor's Order. It is critical for the Board to recognize that the lessees are already proactively working with their residential and commercial tenants during this time of the emergency public health crisis for reasonable accommodation of rent deferrals as justified by each tenant's own circumstances.

At the same time, we believe it is important for the County to encourage landlords and tenants to cooperate to determine how best to determine an individualized and reasonable deferred rent payment plan, and not to impose additional constraints beyond the Governor's Order, especially a "one size fits all" process which may lead to severe economic hardship for property owners and property management firms and their employees.

Tenants that have not been impacted by COVID-19 should be encouraged to honor their lease agreements. For those negatively affected by the virus for a loss of income for a variety of circumstances, lessees are already seeking to

work with tenants for temporary reductions and/or or deferred rent payment plans based on individual situations.

The Board's formal ratification and adoption of amendments to the Executive Order for a temporary moratorium on evictions for nonpayment of rent by residential or commercial tenants impacted by COVID-19 raises issues that need to be addressed by the Board.

- Extension of the payback period for past due rent from 6 months after the March 19, 2020 Executive Order to 12 months or beyond would certainly take any tenant's obligation past the date of the end of a lease, at which time the tenant may have vacated the premises and the landlord would have no recourse to recoup the significant loss of income from that tenancy. From a practical standpoint, leases in Marina del Rey are limited to 12 months. At any given time, the average remaining lease term for a tenant is usually 6 months. Consequently, deferral of rent payments beyond 6 months to a year or longer may result in the landlord's inability to collect past due rent if the tenant has vacated the premises and is no longer a residential or commercial tenant. Six months following the declaration of the end of the emergency is a reasonable period for a tenant to make up the deferred rent.
- Tenants entering into a new lease agreement are required to provide documentation of their ability to pay rent. The same type of documentation, consistent with Governor Newsom's Executive Order N-37-20, should be provided by a tenant requesting rent deferral as a result of the impact of COVID-19 on personal finances in order that the deferral is fairly and equitably justified and properly documented. Relaxing a tenant's demonstration of an inability to pay rent is not consistent with the Governor's order that offers protections to tenants and landlords.
- Dictating a rent freeze for all tenancies is unnecessary given that landlords are unable to evict tenants for nonpayment of rent if they are able to demonstrate financial hardship. The inability to increase annual rent would be in contravention of the Rent Stabilization Ordinance's permissible rate of rent increases, particularly at a time when the County is not offering any relief to property owners and property management companies and their staffs for the financial hardships caused by the moratorium on evictions and other impacts of the COVID-19 national emergency.

During this unprecedented national health crisis and state of emergency, all individuals, whether renters or homeowners, commercial enterprises and landlords, are negatively affected by the various uncertainties and degrees of loss of income. Lessees in Marina del Rey are no exception to this state of

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affairs and will experience substantial loss of income to maintain and operate their residential and commercial businesses.

Thank you for your consideration of working with your partners in the Marina del Rey leaseholds during this extraordinary crisis that has disrupted the lives and businesses of everyone. Please consider the common sense and fair recommendations we are making to you in this letter.

Sincerely,



David O. Levine
President, Marina del Rey Lessees Association

cc: Department of Consumer and Business Affairs
Department of Beaches and Harbors
County Counsel