

Apartment Association of Greater Los Angeles Files Lawsuit in Federal Court Against the City of Los Angeles Challenging the City's Eviction Ban and Rent Freeze Moratoria

LOS ANGELES, CALIFORNIA – June 11, 2020: The Apartment Association of Greater Los Angeles (AAGLA) has filed a lawsuit against the City of Los Angeles on behalf of its members and the City's housing providers. The lawsuit, filed in Federal Court today is a constitutional challenge that essentially argues that the City's prohibition imposed on residential and commercial landlords from undertaking eviction procedures for tenants financially or otherwise impacted by the pandemic singles out landlords and property owners throughout the City to absorb the residents' claimed economic losses attendant to the crisis. The lawsuit further asserts that the City's eviction ban illegally modifies existing contractual relationships by nullifying any late fees or interest while the emergency declaration is in place and throughout the one year period following the end of the emergency, and also imposes a moratorium on annual rent increases for any rent increase scheduled.

Finally, the lawsuit asserts that the City's imposition of the eviction ban provides benefits to renters well beyond what the State has provided through the Governor's orders, and that the City has exposed itself to significant liability risk for all damages associated with the eviction ban, including the damages stemming from the lack of "end date" on the eviction ban and the one year grace period following the, as yet, unknown date. The Apartment Association of Greater Los Angeles is seeking an order invalidating the City eviction ban and rent freeze moratoria. AAGLA's President of the Board, Earle Vaughan, stated: "The City's Eviction Ban was not well thought out and will very likely expose the City to hundreds of millions of dollars in liability (if not more) to landlords and property owners throughout the City. While public agencies understandably feel compelled to 'do something to help' in times of crisis, the City's urgent actions are not well thought out and are causing much more damage than good.

AAGLA's Executive Director, Daniel Yukelson, stated: "At the same time, the eviction ban provides no relief to property owners and landlords, who are expected to continue meeting their contractual obligations under their respective leases even when tenants are not honoring theirs. Most of the City's rental housing providers are small "mom and pop" sized operators whose income streams are being destroyed by the eviction ban. The City's unilateral action has set a bad precedent and warning to future investors about heightened risks of investing in assets in the City of Los Angeles versus other jurisdictions that recognize the value of housing and commercial enterprise, and who respect the necessity for contractual security. We demand the City to remove itself from our private contractual relationships."

AAGLA is represented by attorney Douglas J. Dennington of Rutan & Tucker of Costa Mesa. Mr. Dennington stated: "The Eviction Ban is the functional equivalent of illegally and forcibly requiring landlords to become involuntary lenders to their tenants and to eliminate any charges a lender would impose after evaluating the risks of any particular 'debtor.' In fact, these involuntary interest-free loans are being given to tenants without any ability to verify lost income or need for such loans."

The Apartment Association of Greater Los Angeles promotes the highest levels of professionalism within the rental housing industry. It accomplishes this objective by offering a wide array of educational seminars and member events throughout each year, by providing expert operational advice available daily, and by supplying and maintaining virtually every conceivable agreement form and notice rental housing providers require to successfully own and manage rental properties. The Association also serves as a powerful advocate and lobbyist for rental housing providers at the local, county, state, and federal levels of government. Owning and operating rental housing today has become a highly regulated industry, and accordingly, owning and managing rental

property has become far more challenging and riskier than ever before. Without an organization such as the Apartment Association of Greater Los Angeles, there would be no other voice fighting for the rights of property owners within city halls, county offices, and at state and federal capitols. AAGLA IS THE VOICE THAT EFFECTS CHANGE!

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