



CITY OF AVALON

April 7, 2020

RE: Deferred Rent during State of Local Emergency

To lessees of the City of Avalon:

On March 17, 2020, the City Council of the City of Avalon declared a state of local emergency in response to the novel coronavirus, COVID-19. This declaration and various other measures enacted at the federal, state, and local level designed to limit the spread of the virus have also resulted in significant restrictions to visitor travel and the temporary closure of many businesses located within the City of Avalon. The City of Avalon relies on revenues derived from visitors to fund operations essential to the health and safety of the community. The City also recognizes the economic challenges facing its business community and would like to offer the following as relief for the duration of this state of emergency.

On March 25, 2020, the City Council adopted Ordinance Number U1186-20 to further address the COVID-19 emergency and help protect the health, safety, and welfare of City of Avalon residents. Section 3 of the Ordinance provides a temporary moratorium on evictions for non-payment of rent by commercial tenants impacted by COVID-19, including tenants of the City of Avalon.

Please notify the Finance Department in writing if the lost income due to the state of emergency has created an inability to pay rent. The City will work with the lessee to establish a repayment plan for the deferred rent after the local emergency has ended. As outlined in the ordinance, the City will not charge any late fees or interest on deferred rent amounts. However, businesses with Percent Rent leases will still be required to report gross receipts on a monthly basis.

Businesses with rent reconciliation refunds owed from the City will be contacted within the next two weeks with the refund amount. If a lessee is owed a refund for the prior year reconciliation and requests a rent deferment during the state of local emergency, the refund amount will be credited to the deferred rent and counted as a rent payment in the current year for reconciliation purposes.

If you have any questions, please contact the Finance Department at mbaker@cityofavalon.com or at (310) 510-0220 extension 170.

Sincerely,

Matthew Baker
Finance Director