



Monthly Newsletter

March 2020

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At California West, we are taking precautions so that we don't need to worry as much about COVID-19.

IMPORTANT: If at all possible please arrange with us to receive electronic statements and distributions.

If our staff contracts COVID-19 then our ability to physically write checks and deposit them in the mail will likely be delayed, perhaps substantially.

In light of this risk, we **STRONGLY** recommend that our clients arrange with us to receive statements and disbursements electronically. Our staff is set up to continue preparing electronic financial statements and issuing electronic payments from home if necessary.

Please email our accounting supervisor, Mallori McRoberts, at mallori@california-west.com for information on how to set up this option.

California West is taking various precautions to slow the spread of COVID-19.

As of March 24, 2020, California West is taking the following precautions with respect to COVID-19 (but things seem to be changing hourly):

- Our offices are closed to walk-in visitors;
- We are communicating by email and phone only;
- Annual property inspections are cancelled, we are entering occupied units for emergency maintenance only, and we are asking residents to stay in a separate room while emergency work is performed;
- We have increased the social distancing at our office by moving work spaces further apart;
- Prospective tenants are being told that if they wish to submit a rental application to do so via email only;
- We only accept application fees by credit card over the phone to avoid any unnecessary exchange of cash and checks;
- We are strongly encouraging residents to pay rent online but cannot **require** this according to California law;
- We are checking out keys for vacant units from our office, through our drop slot, by taking pictures of prospective renters' drivers licenses and holding a credit card or \$20.00 deposit until the key is returned; and
- Our maintenance staff is working one person per jobsite.

These procedures will change as the circumstances may require.

What COVID-19 means for property owners.

We will likely be dealing with the continuing and rapid spread of COVID-19 for quite some time.

Lost jobs are the most immediate problem for property owners, as tenants may have trouble paying rent. Many property owners have already contacted us to try and get some understanding of what to expect in terms of rent collection. The short answer is: we don't know.

We sent an email message to all our tenants asking them to let us know if they expect to have trouble paying rent so we may pass that information along to our property owner clients. We are telling tenants that every request for assistance will be considered on a case-by-case basis and that we will help them negotiate something with the property owner if necessary. The response has been far less than we were expecting. We'll see what happens at the beginning of April.

We are trying to stay on top of the government assistance programs available to people so that we may refer our residents to those resources.

The federal and state government are taking measures to mitigate the economic damage from COVID-19 and will likely continue doing so. This includes relaxed requirements for receiving unemployment benefits, mandated 80 hours of paid time off for many workers, and mandated 12 weeks of paid time off for workers who need to care for children whose schools have closed because of COVID-19. As of the time this newsletter is being written, Senate Democrats and Republicans are haggling over a massive stimulus bill. At California West, we are trying to stay on top of all the government assistance programs available to people so that we may refer our residents to those resources.

Lenders are agreeing to let property owners delay loan payments. From what we've heard, Wells Fargo is letting property owners skip loan payments for 90 days without adverse credit action and likely will add any missed payments to the end of the loan. Other lenders are likely to follow suit. For clients who are having cash flow problems we recommend that you contact your lender.

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Cal Poly University has gone to online only classes through at least the Spring Quarter and the President of the University is encouraging students to leave the area. As a result, some students have inquired about cancelling their leases.

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Evictions are not presently an option. Even if evictions were possible we would recommend against that approach because renters who are caught up in this mess are worth working with if they act responsibly and pursue available assistance. Even in the best of times, eviction is only a last resort.

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The total impact from all this so far is a big unknown. We are optimistic that with government assistance programs in place most renters will be able to continue paying rent as agreed. There will no doubt be some renters who still struggle and we will deal with those on a case-by-case basis. We are optimistic that the vast majority of our renters will behave responsibly and will not try to take advantage of this unfortunate situation.

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