



# CITY OF IOWA CITY MEMORANDUM

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Date: March 23, 2021

To: Iowa City Landlords and Rental Property Managers

From: Kristin Watson, Human Rights Investigator

Re: Alternatives to Eviction

One looming effect of the coronavirus pandemic is a national wave of evictions. President Biden has extended the moratorium on eviction through March 31 and the CDC has sent a proposal to the federal Office of Management and Budget for regulatory review, indicating a likely further effort to extend it through September. The moratorium only applies to eviction itself, however, not the obligation to pay rent.

The Center on Budget and Policy Priorities has estimated 14 million people are presently delinquent on rent payment. Eviction can have lasting, terrible effects on a renter, but landlords also have their own bills to pay. When the moratorium lifts, courts will be swamped with eviction actions and delays will be inevitable. What are some alternatives to eviction that can benefit both tenants and landlords?

There are several options. Do be sure to put any agreement in writing, for your protection and the tenant's. Here are some possibilities:

## **1. Talk with the tenant.**

Why are they behind? Is their inability to pay temporary or likely more permanent? Have they applied/might they qualify for any of the COVID-19 relief programs? Do they have a plan? Your next steps might vary widely for a tenant who, for example, was only laid off for several weeks, has returned to work, and is awaiting assistance funds as opposed to a tenant whose employment was permanently terminated and who has no available assistance.

## **2. Offer an altered payment plan.**

If a tenant's hard times are temporary, offering a payment plan may be an option. Only you know how long you can afford to wait for full payment, but would the tenant be able to catch up within 4 months? Six months? If so, consider allowing them to pay the arrears gradually.

## **3. Arrange for an exchange of services.**

If a tenant has a skill you can use, consider whether they could "pay" the arrears with services. If the tenant lost their job due to the pandemic, perhaps they could do maintenance, paint, mow, do landscaping, or any of the many other jobs you might hire out in the course of maintaining the property. Alternatively, the service would not necessarily need to relate to the property itself. Does the tenant speak a language or play an instrument you would like to learn? An agreement to exchange services is limited only by your and the tenant's imagination.

## **4. Reduce or defer the arrears.**

While this might not seem at first glance to be an attractive option, consider the cost of evicting the tenant, readying the unit for re-rental, and securing a new tenant. It may make sense to accept

a percentage of the arrears owed or agree to suspend repayment until the tenant regains financial stability.

### **5. Pay the tenant to move.**

Called “cash for keys,” this is a solution best discussed with your attorney, because it involves some caveats and important details. Depending on the circumstances, however, it can be a smart business decision to say goodbye to the tenant and start fresh.

### **6. Hire a mediator or arbitrator.**

Mediation and arbitration are similar, although arbitration is a more formal process. If you’d like to keep the tenant, but can’t agree on the terms of resolving the arrears, it may pay to mediate or arbitrate the situation. Involving a trained professional removes emotion and personalities from the process and makes a resolution more likely.

### **7. Don’t renew the tenant’s lease.**

Considering the cost of eviction, it may make sense to cut your losses and simply notify the tenant the lease will not be renewed. In Iowa, landlords do not need a reason to fail to renew a lease, as long as the reason for non-renewal is not a discriminatory one.

### **Things NOT to do:**

Regardless of how much the tenant owes, there are some things that are illegal and/or guaranteed to backfire:

- Never, ever physically bar the tenant from the unit, either by changing locks or in person.
- Never enter the unit and place tenant belongings outside.
- Never cut off heat, electricity, water, or gas to the unit.
- Never threaten a tenant in any way or lose your temper. Always maintain your professionalism, even if the tenant does not.

This memorandum is meant to provide general guidance regarding this subject. If you have questions regarding topics addressed in this memorandum or your rights and responsibilities in general, please call the office at 319-356-5015 or 319-356-5022. For specific legal questions, please consult your attorney.

The Office of Equity and Human Rights provides educational memos to landlords on areas of discrimination to assist in providing good outcomes for both landlords and tenants. Please send fair housing topics you would like to receive guidance on to [humanrights@iowa-city.org](mailto:humanrights@iowa-city.org).