

# United States Senate

WASHINGTON, DC 20510

June 26, 2023

Ms. Bethany Chang  
Principal, On-Site Property Management  
CIM Group  
4700 Wilshire Boulevard  
Los Angeles, CA 90010

Dear Ms. Chang,

We write to share troubling concerns we have heard from constituents regarding conditions of the Southern Towers apartment complex in Alexandria, Virginia since your firm, the CIM Group (CIM), took ownership of the property. Tenants of Southern Towers have raised concerns regarding declining conditions, unresolved maintenance requests, and significant pricing changes. As such, we urge you to take immediate action to address these issues by engaging directly and frequently with the tenants and working quickly to resolve outstanding concerns.

As you know, Southern Towers is a five-building apartment complex located in Alexandria, Virginia. For years, it has been home to generations of immigrants and has become a haven of affordable housing where families can achieve economic stability. In 2020, CIM purchased the property with significant financial backing from Freddie Mac. Tenants have shared with our offices that, under CIM ownership, they have been subjected to eviction filings during the eviction moratorium, changes in how utilities are billed combined with rent increases that have led to substantial price hikes, and unaddressed maintenance issues that pose health and safety risks. Further, tenants have voiced that CIM issued unclear eviction notices indicating that tenants who were late on their rent payments had only five days to “pay rent or, alternatively, to terminate lease and vacate premises”<sup>1</sup> – only mentioning later in the notice that tenants located on a “covered property” as defined by the CARES Act were entitled to a 30-day notice before vacating.<sup>2</sup>

These issues are all the more staggering when considering that our nation is in the midst of an affordable housing crisis. Virginia alone is facing a shortage of over 170,000 units for extremely low-income households<sup>3</sup> with the supply shortfall particularly pronounced in Alexandria, which lost an estimated 90 percent of its market-affordable units between 2000 and 2017.<sup>4</sup> As the vast share of the undersupply is concentrated in low-income, high-opportunity markets, we know that the burden of this crisis is falling largely on low- and moderate-income families. It is more

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<sup>1</sup> <https://africans.us/sites/default/files/Formal%20Complaint%20Against%20CIM%20Group.pdf>

<sup>2</sup> [https://www.fhfa.gov/Media/PublicAffairs/Pages/Tenant-Protections-for-Enterprise-Backed-Rentals\\_7282021.aspx](https://www.fhfa.gov/Media/PublicAffairs/Pages/Tenant-Protections-for-Enterprise-Backed-Rentals_7282021.aspx)

<sup>3</sup> <https://nlihc.org/housing-needs-by-state/virginia>

<sup>4</sup> <https://media.alexandriava.gov/docs-archives/housing/info/2017marketaffordablereport=updatedjune2017.pdf>

important than ever that our existing affordable housing stock is safe and available for those that need it most, including complexes like Southern Towers.

As a federally-backed property, it is incumbent upon CIM to manage Southern Towers in alignment with the Federal Housing Finance Agency’s mission to promote quality affordable housing. At a minimum, federally-backed properties should be well-maintained and free from health and safety risks, and have a responsive management team with transparent rent and utility pricing procedures. Moving forward, we urge CIM to meet regularly with tenants to hear their concerns, clearly communicate plans regarding deferred maintenance issues or pricing changes, and work directly with tenants to address issues in a timely manner. As CIM refers to itself as a “community-focused real estate investor”<sup>5</sup>, we also urge CIM to offer assistance to tenants at risk of eviction by connecting them with government resources in an effort to keep more individuals and families in their homes.

It must be a priority that our most vulnerable communities are protected from displacement and have access to safe and affordable housing. We look forward to working with you to ensure that Southern Towers is a quality, affordable community for the tenants that call it home.

Sincerely,



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Mark R. Warner  
United States Senator



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Tim Kaine  
United States Senator

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<sup>5</sup> <https://www.cimgroup.com/about>