

March 19, 2020

Speaker Nancy Pelosi
House of Representatives
H-232, the Capitol
Washington, DC 20515

Minority Leader Kevin McCarthy
House of Representatives
H-222, the Capitol
Washington, DC 20515

Majority Leader Mitch McConnell
U.S. Senate
S-230, the Capitol
Washington, DC 20510

Minority Leader Chuck Schumer
U.S. Senate
S-221, the Capitol
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell and Leader Schumer:

Thank you for the critical, bipartisan work that has already been done by Congress to prepare and provide relief to American families and businesses negatively impacted by the COVID 19 outbreak. As an apartment operator, I'm reaching out about Congressional efforts to provide additional relief and the need for the apartment industry, and our residents, to be included in future legislation.

The apartment industry is a vibrant and booming industry that not only houses 40 million Americans nationwide, but also generates \$3.4 trillion annually to the U.S. economy. That's why it is absolutely critical that any relief package includes provisions that ensure the safety and security of our residents and employees.

As industry leaders, we take seriously the responsibility to ensure our residents have a safe and stable place to call home especially during times of crisis like these. As Americans seek the shelter of their own homes, that is notably in many cases, our apartment communities. Given that, apartment operators and employees are front-and-center in responding to the COVID-19 outbreak. We are witnessing a growing need for relief in a variety of ways—including areas Congress is actively exploring.

Congress should focus on enacting the following proposals to provide direct and sustained assistance to renters and support for impacted property owners and operators:

- 1. Direct and Sustained Assistance for Renters:** The COVID-19 outbreak will cause a financial challenge for many renters and potentially a loss of housing. Congressional proposals should include short-term financial assistance for renters to protect against this. Congress could also stretch unemployment income for individuals who lose their job because of COVID-19. Congress could exclude unemployment income from tax for 2020.
- 2. Forbearance on Multifamily Mortgages and other Financial Obligations:** Proposals should extend mortgage forbearance to rental property owners. Most rental properties are owned by individuals and small businesses that have to meet obligations like mortgages, utilities, payroll, insurance and taxes. If residents cannot pay their rent because of the COVID-19 outbreak then owners are at risk of not meeting their financial obligations. This puts the property and whole community at risk.

- 3. Guardrails for Possible Eviction Moratoriums:** Policymakers are beginning to implement eviction moratoriums across the country. While we caution policymakers against imposing blanket eviction moratoriums, any potential federal moratorium on evictions should be targeted to situations related to the COVID-19 and should include the following guardrails:
- a. Should have a maximum 45-day time frame with the possibility of a 45-day extension should the situation/continued crisis warrant it.
 - b. Should not apply to any proceeding filed prior to or not a material result of the COVID-19 outbreak.
 - c. Must not curtail the right of housing operators to evict for other lease violations such as property damage, criminal activity or endangering other residents of the community.
 - d. Should require that the resident need to officially notify the property owner of temporary financial hardship as a result of the COVID-19 outbreak and request temporary assistance/relief from the property owner and acknowledge the contractual terms of the lease remain in effect.
- 4. Critical Tax Relief for Individuals and Affected Industries:** The multifamily industry believes that Congress should enact the following tax relief programs.
- **Payroll Tax Cut:** Congress could provide taxpayers with extra funds to absorb increased cuts resulting from COVID-19 by reducing payroll taxes.
 - **Unemployment Compensation Exclusion:** Congress could help stretch unemployment income for individuals who experience job loss as a result of COVID-19.
 - **Net Operating Loss Carryback:** Congress could help ease cash-flow challenges for businesses by allowing net operating losses (NOLs) generated in 2020 to be carried back for three years.

It is clear that the enormity of the challenge we face is evolving on a daily, or even hourly, basis. As the problems mount, and as our nation continues to prepare for and respond to the COVID-19 outbreak, there will inevitably be a need to revisit the types of assistance that will be necessary to ensure that America's families, individuals and businesses are able to weather this crisis. For now, we encourage Congress to include the provisions outlined here as a first step to protect the financial viability of the rental housing industry and the 44 million American families that rent.

cc: U.S. Senate
U.S. House of Representatives

