

COVID-19 MULTIFAMILY NEWS

NEW RESOURCES TO INFORM YOUR REOPENING PLANS

While many apartment firms are still operating under shelter-in-place orders, they are also mapping out steps to reopen their communities and their corporate and regional offices as state governments lift stay-at-home directives and take a phased approach to reactivating local economies. ([See our map of states' reopening plans.](#))

To help inform planning, NMHC is releasing a [COVID-19 Reopening Considerations for the Property Level](#) paper to serve as a starting point for apartment firms' reactivation plans. This resource is open to NMHC members only and is the first of two reopening documents that NMHC will publish. This installment focuses on community reactivations; a follow-up document will tackle corporate and regional office openings.

We also suggest members check out the [NMHC Risks and Return: A Conversation About Workplace and Property Readiness](#) webinar series. In this two-part series, experts outline a framework for moving forward as states and localities begin reopening.

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HOUSE EXPECTED TO PASS NEW \$3 TRILLION COVID RELIEF PACKAGE

This evening, the House of Representatives is expected to pass H.R. 6800, the "[Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act](#)." The \$3 trillion 1,815-page package is largely viewed as the Democrats' opening offer for future COVID-19 relief legislation. The White House threatened to veto the measure and Senate Republicans have indicated they would like to evaluate the impact of the CARES Act before proceeding with new legislation. It is unlikely that serious negotiations toward the next round of COVID-19 relief will begin until after Memorial Day.

As drafted, the HEROES Act addresses many NMHC and NAA COVID relief priorities, including the creation of a \$100 billion rental housing assistance housing program and the expansion of mortgage forbearance to all multifamily loan types. In addition, it would provide funding for state and local governments, additional recovery rebates and extend unemployment benefits.

While we appreciate the work done to extend this critical economic lifeline to renters by creating an emergency rental assistance program, we have concerns with the delivery mechanism included in the HEROES Act and believe it could impede its effectiveness and timely distribution. We also take issue with the fact that the bill expands the CARES Act eviction moratorium to virtually all residential leases and extends the moratorium period for 12 months.

MORE ANALYSIS



SENATE LOOKS AT LIABILITY PROTECTION AND ENHANCED GUIDANCE FOR BUSINESSES

As many states and jurisdictions begin a phased relaxation of COVID-19 related closures and restrictions, businesses—including many apartment firms—have begun to question what protection exists for them against liability claims from employees, customers and the general public who access their facilities. [As reported previously](#), the issue is being debated in Congress and this week the Senate Judiciary Committee held a hearing to examine the topic and the appropriate role of the federal government.

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NMHC CALLS ON CONGRESS TO INCLUDE OPPORTUNITY ZONE PROVISIONS IN FUTURE STIMULUS LEGISLATION

The COVID-19 outbreak has only amplified the need for more housing that is affordable – as over 30 million Americans face unemployment and are struggling to make ends meet. One such way of chipping away at the nation’s supply shortage by incentivizing building in distressed neighborhoods, is through Opportunity Zones. To encourage Congress to focus on this important program, NMHC and NAA joined several industry partners to request that Congress enhance Opportunity Zone tax incentives as a part of future COVID-related economic stimulus legislation.

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GOOD MAY RENT PAYMENT PERFORMANCE CONTINUES

The NMHC Rent Payment Tracker found 87.7 percent of apartment households made a full or partial rent payment by May 13, a slight year-over-year decrease but an improvement from the same period last month. With more than 36 million Americans filing for unemployment since the start of the crisis, it’s clear different segments of the apartment market are being affected to different degrees.

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MARKET TRENDS WERE POSITIVE PRE-COVID

In NMHC's most recent quarterly analysis of apartment conditions, we look back at the period preceding the COVID-19-related economic slowdown. Data show strong apartment industry performance, including rising absorptions and starts and stable rent growth. We anticipate that future Market Trends will more fully reflect the many coronavirus-related challenges currently in the market.

[READ MORE](#)

NMHC CONDUCTING THIRD CONSTRUCTION SURVEY

As more states begin reopening their economies, it's important to gauge the multifamily construction industry's recovery. To that end, NMHC is currently conducting its third round of construction surveying. Please submit your responses now. The survey will close May 20.

[SUBMIT NOW](#)

APARTMENT INDUSTRY FILES COMMENTS AS SBA ISSUES CLARIFICATION ON PPP CERTIFICATION

After the Small Business Administration (SBA) previously announced that it would review any Paycheck Protection Program (PPP) Loan exceeding \$2 million, the Agency added this week that all borrowers with original loan amounts of less than \$2 million, "will be deemed to have made the required certification concerning the necessity of the loan request in good faith." Further, for borrowers receiving loans over \$2 million, SBA said they will be subject to review for compliance, including certification and economic need.

NMHC and NAA [submitted a joint comment letter](#) on May 15 to the SBA urging that the Agency clarify congressional intent that all types of multifamily firms with 500 or fewer employees are eligible for PPP loans. Unfortunately, and despite clear Congressional intent, the SBA's Interim Final Rule implementing the PPP created doubt on whether owners and operators of multifamily businesses are eligible to receive PPP loans.

[READ MORE](#)

New Resource: NMHC released a FAQ document that is intended to provide further background for multifamily firms exploring the PPP. [Download the FAQ here.](#)

NEWS



[CORONAVIRUS CRISIS IS A HOUSING CRISIS](#)

Congressman **David Price** (D-N.C.) and Congresswoman **Nita Lowey** (D-N.Y.) explain the importance of safe, secure and affordable housing—especially at a time of great financial strain. The housing affordability crisis was in place long before the onset of the COVID-19 outbreak and, as millions of Americans face unemployment, the affordability crisis will only be exacerbated.



IF LANDLORDS GET WIPED OUT, WALL STREET WINS, NOT RENTERS

Although the CARES Act provided for economic stimulus checks for millions of Americans, some may not be able to make ends meet. In addition, the ban on evictions and rent strikes mean small property owners may not be able to survive this crisis without further relief.



CAPITAL MARKETS LOOSEN UP ENOUGH TO ALLOW SOME MULTIFAMILY REFINANCING

As the industry finds its footing amid the COVID-19 crisis, some firms are looking again at refinancing activity. “It would be crazy for people not to think about refinancing,” says **Dave Borsos**, vice president of capital markets for NMHC. “It would be hard to pass up an interest rate of 3 percent or lower for a 10-year loan.”



CONNECT CONFERENCES: A NATIONAL MULTIFAMILY UPDATE

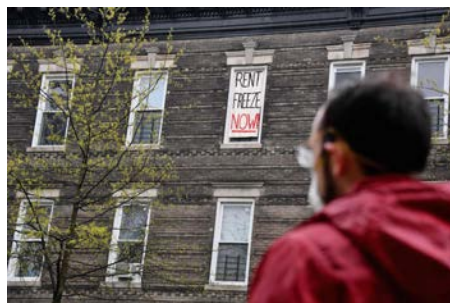
NMHC President **Doug Bibby** joined other industry leaders for a discussion regarding the state of the industry during Connect’s recent multifamily update webinar. [Watch the webinar now.](#)



BRIAN MONTGOMERY CONFIRMED TO OFFICIALLY SERVE AS DEPUTY SECRETARY OF HUD

The Senate officially confirmed Commissioner **Brian Montgomery** to serve as the Deputy Secretary of HUD—a position formerly held by **Pam Patenaude**. “At a time of unparalleled challenges, HUD and the American public will be well-served by

Montgomery’s long service, deep experience and thoughtful insight when it comes to keeping Americans safely and securely housed,” NMHC said.



NEARLY 88 PERCENT OF RENTERS HAVE PAID RENT THIS MONTH

NMHC’s Rent Tracker Payment data released on May 15 indicated that nearly 88 percent of renters have paid rent for the first week of May – compared to the 89.8 percent of renters who paid full or partial rent payments by May 13, 2019. “It’s important to understand that our metric does not capture rent payments for smaller landlords or for affordable and subsidized properties,” said NMHC President **Doug Bibby**.

NMHC RESOURCES



COVID-19 HUB

NMHC’s headquarters for all COVID-19 policy updates, articles, industry resources and research. Some of our new resources include a [state-by-state government reopening tracker](#) and a sign-up for [NMHC’s Cybersecurity Alert System](#), which provides real-time cyber threat alerts, guidance and best practices—all important resources when managing a remote workforce.

EXPLORE



LISTSERVE

NMHC's Emergency Preparedness Listserv is the place where multifamily operators can crowdsource answers to operational questions. Hot topics this week included how to educate your residents on available renter relief programs.

CONNECT



WEBINARS

New episodes this week include the latest [NMHC Rent Payment Tracker](#) report, [Part 2 of the Risks and Return: A Conversation About Workplace and Property Readiness](#), which provides best practices for reopening corporate offices, and a discussion of [new apartment construction's effect on existing apartments](#), featuring Evan Mast of the Upjohn Institute.

WATCH

ARE RENT STRIKES GAINING MOMENTUM?

In this Marcus & Millichap special update, a panel of industry leaders, including NMHC's [Jim Lapidis](#), discuss advancing state legislation that could put a pause on rent collection. Watch the webinar to learn how these proposals will affect multifamily owners and how you might mitigate the risk.

WATCH NOW

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