

August 17, 2020

EVICITION

Advocacy and
Communications
Strategies





Welcome & Introductions



What are state and local policymakers saying?



**NATIONAL
LEAGUE
of CITIES**





State of the Industry





Poll





Arguments and Strategies



Arguments & Strategies

- Rental housing providers continue to work with their residents impacted by COVID-19 on rent repayment arrangements, waive fees and connect them with social service resources.
- Eviction moratoria interfere with these good-faith efforts and housing providers' ability to ensure they have enough rental income to manage their properties.

The Domino Effects



BREAKING DOWN \$1 DOLLAR OF RENT

There exists a misconception that rental housing owners enjoy large margins and can continue operating in the absence of rent payments.

With so much discussion around rent payments during COVID-19, the rental housing industry would like to explain the breakdown of \$1 dollar of rent.



Only **9 cents of every \$1** are returned to owners, including the many apartment owners who are themselves small businesses and rely on this revenue to make ends meet, and investors, which include public pensions and 401ks, on which many Americans rely—whether or not they reside in rental housing.

Approximately **39 cents of every \$1** pays for the mortgage on the property. Roughly two-thirds of the apartment industry has private lenders and are ineligible for federal mortgage forbearance via the CARES Act. This is a critical expense, as mortgage foreclosures put all residents at risk of losing their housing.

10 cents of every \$1 is spent on capital expenditures, including roof and HVAC replacement and other important repairs that help ensure quality housing for America's 40 million rental housing residents.

27 cents of every \$1 covers payroll expenses, including paying employees who operate and maintain the property, ongoing maintenance, utilities, insurance and the like.

14 cents of every \$1 goes to property taxes, which in turn supports the community through financing for schools, teachers, emergency services and other important local needs.

Between mortgage payments and investor returns, which help support many Americans' retirement plans, and dollars put back into the apartment community to ensure quality living for residents, a rent payment is much more important than one might otherwise realize.

Source: National Apartment Association 2019 Survey of Operating Income & Expenses in Rental Apartment Communities; U.S. Census Bureau 2015 Rental Housing Finance Survey; Real Capital Analytics; Redstone Residential

Note: Figures based on averages and approximations, because apartment community spends vary based on size and location, among other factors, one cent remains that can fall into any of the listed categories.





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Arguments & Strategies

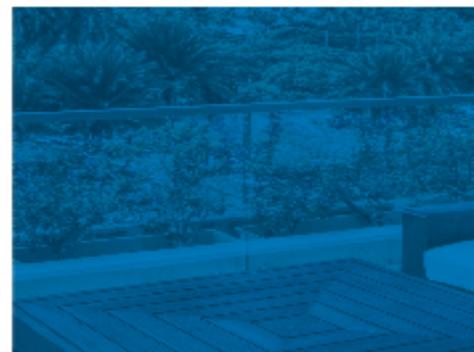
- Identify other potential unintended consequences.
 - No requirement for renters to communicate hardship to housing provider.
 - Lacks connection to continuing COVID-19-related financial impact.
 - Does not require consideration of new sources of income.
 - Contributes to the insolvency of a property and put entire communities at risk for displacement.
 - Exacerbates housing affordability challenges.
- What else has worked for you?

Arguments & Strategies

- Renters in Class C properties paid 54% of total rents due in June by the middle of the month, according to a study by LeaseLock. In July, even with emergency unemployment relief still flowing, the figure slipped to 37%.
 - Further erosion in those rent payments would endanger America's affordable housing supply and put mom-and-pop landlords at the biggest risk of mortgage default.
 - Should their buildings go into foreclosure, the buyers may not keep them affordable, or even as rentals.



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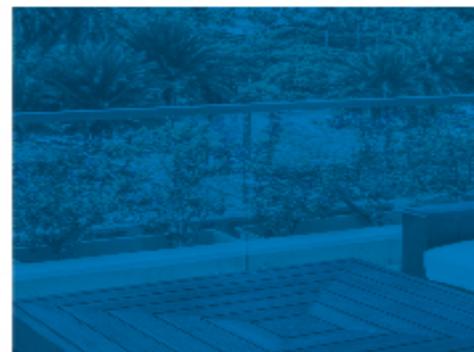


Arguments & Strategies

- Survey members and show how common it is that residents refuse to communicate hardship when a moratorium is in place, leaving housing providers without enough income to pay their bills and no recourse to compel compliance.



Poll



Arguments & Strategies

- Remind them to consider the full length of time that housing providers are expected to go without rent during the moratorium (from beginning of the moratorium, including any extensions & time for court processing).

Arguments & Strategies

- Highlight financial assistance that is currently available that has prevented widespread evictions. Refocus on finding ways to maintain continuity of this assistance or suggest alternatives to pursue.

Arguments & Strategies

- Emphasize the percentage of landlords versus calculating by unit count (example: X percent of housing providers own X or fewer units).
 - In these terms, the focus is on X number of small owners with one large firm counted as 1.

Arguments & Strategies

- If all else fails, refocus conversation around suspension of executions or removal of residents. The moratorium should NOT cover filing of evictions or interfere with housing providers' rights to due process.

Alternatives Bring Challenges

- Broad extension of notice to vacate provisions that give renters months to pay outstanding balances before housing providers can evict.
- Mandated repayment plans that provide the renter sometimes months or years to repay outstanding balances accrued during the COVID-19 emergency.
- Allowing renters to claim inability to pay rent as a defense to an eviction action during state of emergencies or public health emergencies.



Research



Bad Data Leads to Adverse Policy for the Industry

- A widely cited study by the Aspen Institute concluded “19 to 23 million, or one in five of the 100 million Americans who live in renter households, are at risk of eviction by September 30, 2020.
- Real Page found this conclusion was based on “an assumed renter unemployment rate between 25% and 30%.”
 - The unemployment rate in July fell to 10.2% from 11.1% in August, casting doubt on this prediction.
 - The study appears to assume a jobless worker means a zero-income household, ignoring dual-income households and other avenues of financial support.

Amplify the Industry's Voice with Grassroots!



We apologize for sending you another message so quickly, but Congressional negotiations have picked up speed. Politico reported "Senate Banking Chair [Mike Crapo](#) (R-Idaho) on Tuesday confirmed that rental assistance is on the table in congressional negotiations." Both expanded unemployment insurance and the federal eviction moratorium expired in the past week, and Congress is seeing plenty of media reports of "eviction tsunamis" coming. Administration officials continue to state that the President may extend the eviction moratorium via executive order. Meanwhile, a recent report noted an 8 percent drop in rent payments between June and July, with residents in workforce and class C properties experiencing [particular hardship](#).

Congress is now grappling with how to respond to this housing crisis and they are being bombarded with calls to extend the federal eviction moratorium. They must hear from the apartment industry or we risk being left behind in the final legislation.

TAKE ACTION

An eviction moratorium may keep residents in their homes in the short term, but it will just put them months behind in their payments that they will struggle to ever make up. And months of lost rent will cripple our industry's ability to protect our communities, pay our employees and meet our own financial obligations. A robust and targeted rental assistance program, on the other hand, will keep residents who have a COVID-related hardship in their homes and keep apartment communities stable and solvent. All indications are that this will be the last relief package of the year, so this is the LAST CHANCE to get meaningful emergency rental assistance.

TAKE ACTION

Take Action

[Home](#) > [Get Involved](#) > [Advocate for Children](#) > [Take Action](#)

Take Action and Use Your Voice

Action Alert

Send a note of encouragement to your members of Congress

Every member of Congress begins the new term with high ideals and objectives. Most of them claim some kind of faith, and they all want to create positive change in the world. But political pressures can creep in and pull them away from their original aspirations. In... [\[+\] more](#)

Review Your Profile [Privacy Policy](#)

[Not Mark Brazier?](#)

Your Information

Prefix	First Name	Last Name	Suffix
Mr.	Mark	Brazier	

Email
mbrazier@votervoice.net

Home Information

Street Address
9036 Raging Water Dr

City	State	ZIP Code
Bristow	VA	20136

I want to receive future alerts
 Remember me (Uncheck on shared computers)

[Send Message](#)

Compose Your Message

Recipients

- Senator Mark Warner
- Senator Tim Kaine
- Representative Rob Wittman

Guidelines

Below is an email you can send to your members of Congress. You can personalize your email with specific notes of encouragement, a prayer, or even a Bible verse.

Message

Subject
Thank you for your service

Body
Thank you so much for your hard work and service. I truly appreciate your work for the people of your state and around the world.

Please know that you are in my prayers as you make important decisions and vote on legislation that affects the lives of millions of people.

- Call to Action
- Visibility
- Mobilize stakeholders
- Lower engagement threshold
- Exposure
- = **Membership Value +**

2020 GART Virtual Learning Series

- Once a month, we will explore a different COVID-19 related, housing policy topic.
- The first session will focus on how to optimize federal, state and local funding sources and implement a successful rental assistance program.
- If you are a government affairs professional or association staff interested in advocacy, this session is for you.

GART Presents: Crafting a Rental Assistance Program During the COVID-19 Crisis

- Save the Date:
 - Wednesday, August 26, 2020 12:30 p.m. – 1:30 p.m. ET
- It's free!

[Register now!](#)



Questions?