



MEMORANDUM

To: Members of the New Jersey Senate
From: David Brogan, Executive Director
Date: April 13, 2020
Re: NJAA Opposition to S-2340 (Singleton / Oroho)

On behalf of the New Jersey Apartment Association (NJAA), and our members who own, develop, and manage both market rate and affordable housing for over a million New Jersey residents, we strongly oppose **S-2340 (Singleton / Oroho)**, and ask you to vote “**NO**” when it comes for a vote on Monday, April 13, 2020. This measure would authorize the Governor to permit mortgage forbearance and rent payment responsibility reduction for certain emergency-impacted residential property owners and tenants during emergency circumstances.

NJAA understands the intent of the sponsors to provide relief to renters impacted by COVID-19 and we assure you, our membership is doing everything they can to work with their residents. However, there must be recognition that property owners are also struggling to meet their own financial obligations. Those obligations include but are not limited to paying property taxes; satisfying obligations to small business vendors providing critical services; and most importantly, paying the salaries of the over 50,000 individuals directly employed by the apartment industry. The Legislature must understand that loan forbearance does not mean loan forgiveness. As such, the obligations listed above—as well as a slew of others—remains. There is no reduction for property owners in what they are obligated to pay and while some owners may be seeking forbearance, we continue to underscore that mortgage payments are just one of many obligations they must pay or the multifamily ecosystem will deteriorate.

This legislation would also require that multifamily property owners provide a plethora of information to the Department of Community Affairs (DCA) including their number of tenants, the amount of rent collected, tenant contact information, whether tenants are subsidized or not, and “any other necessary information” at a time when they are stretched to capacity. Our industry is also dealing with workforce shortages due to the virus, dealing with banks that are overwhelmed, reductions in rent collections, and working individually with thousands of their tenants, whom in some cases, they have decades long relationships with. The burden is extremely high currently and this will only add to it.

Finally, this legislation would require that landlords provide a ninety-day repayment period for each month of rent in arrears. As drafted, it appears that should a tenant be unable to pay rent for six months, which is possible during this crisis, landlords would need to provide 18 months to repay rent in arrears, even if the lease ends before that time period.

Currently, our members are dealing with a plethora of serious issues in dealing with the COVID-19 crisis including stress on the apartment building infrastructure and maintenance systems, mitigating the spread of the illness in our communities, and working with tenants that are impacted by the crisis. Our members are struggling to remain viable, so that they can continue to provide safe and affordable housing. If government is placing additional burdens on businesses and landlords during this crisis, it will only expedite their demise. NJAA understands the desire to help those impacted by the crisis but placing additional and costly burdens on the people who employ or house those in need will not help the situation. This legislation would be devastating to the multifamily industry and will put good landlords out of business. As such, we strongly oppose S-2340 and ask you to vote “**NO**” when it comes before you for a vote. Should you have any questions or need further information, please do not hesitate to contact us.

The New Jersey Apartment Association represents over 220,000 multifamily apartment units throughout the State of New Jersey. We are a statewide organization dedicated to maintaining, improving, and building both market-rate and affordable rental housing that serves over one million New Jersey residents.
