



MEMORANDUM

To: Members of the New Jersey Senate and General Assembly
From: David Brogan, Executive Director
Date: April 13, 2020
Re: NJAA Opposition to S-2363 (Greenstein) / A-3921 (Benson)

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-2363 (Greenstein) / A-3921 (Benson)**, and ask you to vote “**NO**” when it comes for a vote on Monday, April 13, 2020.

This bill states that while a public health emergency or a state of emergency is declared in response to COVID-19, that the Governor may issue a commercial rent suspension executive order for distressed small business tenants. The bill defines an eligible business as one with 50 or less employees that leases real property for non-residential purposes and does not have a monthly revenue that exceeds 80 percent of the tenant’s reasonable monthly revenue expectations for the same period prior to COVID-19. Furthermore, the repayment schedule put forth in the bill would mean that a commercial property owner would not be repaid, in full, for potentially more than a year. Repayment would not begin until two months after BOTH the state of emergency and public health emergency are declared over and would last for six to nine months.

While the NJAA primarily represents residential landlords, we have a number of members who have mixed-use and commercial real estate as part of their real estate portfolios. Any rent freeze mandated by government in any form is not only wrong and unfair, but it violates contract law. The real estate industry is facing hardships during this crisis, along with our tenants. We are working with our tenants on an individual basis in an effort to make it through COVID-19. If we are truly in this together, then government should work toward solutions that help our entire economy, not solutions that benefit one segment to the detriment of another. Our residential and commercial owners are navigating a multitude of issues in dealing with the COVID-19 crisis and this legislation will further exacerbate the problems they are facing.

As such, we strongly oppose S-2363 (Greenstein) / A-3921 (Benson) 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.