



MEMORANDUM

To: Members of the New Jersey General Assembly
From: David Brogan, Executive Director
Date: July 30, 2020
Re: NJAA Opposition S-2340/A-4034/A-4226 (Singleton, Timberlake, Wimberly)

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 **respectfully oppose S-2340/A-4034/A-4226**, and ask you to vote “**NO**” when it comes before you for a vote on Thursday, July 30, 2020.

As it pertains to the apartment industry, the bill attempts to help tenants by duplicating Executive Order 106 (the eviction moratorium), but goes further by restricting court actions, forcing landlords and tenants into restrictive repayment agreements that could extend two and half years after the public health emergency is lifted, and imposes draconian penalties on landlords throughout the process. **By doing so, the bill will create more turmoil, exacerbate the financial hardship of property owners, incentivize tenants not to pay rent, and ultimately lead to a decline in property taxes paid by landlords to municipalities.**

NJAA understands the plight of tenants impacted by COVID-19. To assist COVID-19 impacted tenants, NJAA members have been waiving late fees and offering repayment arrangements for tenants who need assistance. However, **placing significant burdens on landlords by restricting the only income stream they have (rent revenue) will not help the situation for tenants.** Rather, it will create a negative domino effect whereby apartment staff will lose their jobs, repairs and reinvestment will cease, and financial obligations of the landlord will not be met.

Furthermore, this will then have an impact on both State income tax revenue and local property tax revenues. **Specifically, the bill will lead to numerous property tax appeals by landlords because their taxes are based on rental income, and the reduction in property tax revenue from the multifamily industry will lead to a massive property tax shift onto homeowners.**

While we understand the goal of the sponsor, the bill unfairly restricts the apartment industry’s only source of income well beyond what is being done to other businesses across the state. While the bill recognizes the negative impact by providing assistance to properties financed by the Housing & Mortgage Finance Agency, which we support, similar **assistance is not extended to market-rate apartment owners who also have financial obligations to lenders, municipalities, utilities, and their residents and employees that they must honor.**

As such, we **respectfully oppose S-2340/A-4034/A-4226** and ask you to vote “**NO**” when it comes before you for a vote. If you have further questions, please do not hesitate to contact me.

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.