



MEMORANDUM

To: Members of the Assembly Housing Committee
From: David Brogan, Executive Director
Date: December 3, 2020
Re: NJAA Support of A-4617 (Burzichelli, Wimberly, Chaparro)

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 **support A-4617**, and ask you to vote “YES” when it comes before you for a vote on Monday, December 7, 2020.

Under this legislation, which establishes the “Landlord Emergency Compensation Program,” landlords can apply to receive assistance for rent that has gone unpaid during the COVID-19 pandemic to help cover the landlord’s housing costs. NJAA appreciates this effort by lawmakers to prioritize the housing industry in New Jersey and provide financial assistance that will aid both landlords and tenants.

NJAA understands the challenges that many tenants are facing as they have been impacted by the COVID-19 pandemic. From the outset of this pandemic, NJAA has urged all landlords to waive late fees and offer repayment arrangements for tenants who need assistance. **Additionally, NJAA has repeatedly called on the federal government to provide significant and meaningful rental assistance, that will assist both tenants and landlords alike.** Without meaningful rental assistance, we expect to see a massive property tax shift onto homeowners, given that the multifamily industry pays over a billion dollars a year in property taxes.

Specifically, as rent goes unpaid, it places a significant burden on landlords, and the entire multifamily ecosystem, which includes tenants, landlords, homeowners, municipalities, as well as all the affiliated companies that support the multifamily industry. Due to the loss of rent revenue, small landlords that have invested their life savings into their properties are facing bankruptcy. Larger landlords are facing significant revenue losses, forcing them to reallocate money earmarked for repairs and maintenance toward meeting financial obligations, such as paying staff, making mortgage and insurance payments, as well as property tax payments.

The financial assistance provided through this bill demonstrates that the Legislature understands the need to prioritize the housing industry in New Jersey. We thank the sponsors of this legislation for recognizing the financial obligations that landlords have to their lenders, municipalities, utilities, employees, and most importantly, their residents.

As such, we **support A-4617** and ask you to vote “YES” 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.