

Since the onset of the COVID-19 Pandemic, GAA members have been continually adjusting their business operations, with the health, safety and stability of employees and residents being the highest priority. In early March, GAA began collaborating and sharing best practices around instituting protective operational changes including social distancing measures within apartment communities and providing PPE to essential onsite staff and maintenance teams that continue to interact with residents who may be exposed to or afflicted by the virus, as well as maintaining constant open communication with residents to provide updated information and access to health and financial assistance resources. However, balancing residents' needs for financial accommodations and flexibility with the property owner's own financial obligations remains the most challenging aspect of this crisis. GAA member companies are committed to working with residents impacted by this pandemic, and are continually seeking new and meaningful ways to do so during these unprecedented times. Below are several examples of how GAA members have assisted those affected by this crisis:

- Allowing residents to defer rent payments for several months or to the end of the lease.
- Developing individualized partial payment agreements, where residents can reduce their monthly payment amount and pay balances over time.
- Waiving late penalties and other fees.
- Offering residents the opportunity to renew their leases without an increase in rent.
- Some companies have even created their own resident relief funds and are offering grants for up to \$2000 for residents who have lost income and are facing financial hardship.
- Partnering with philanthropic community to develop and administer rental assistance funds.

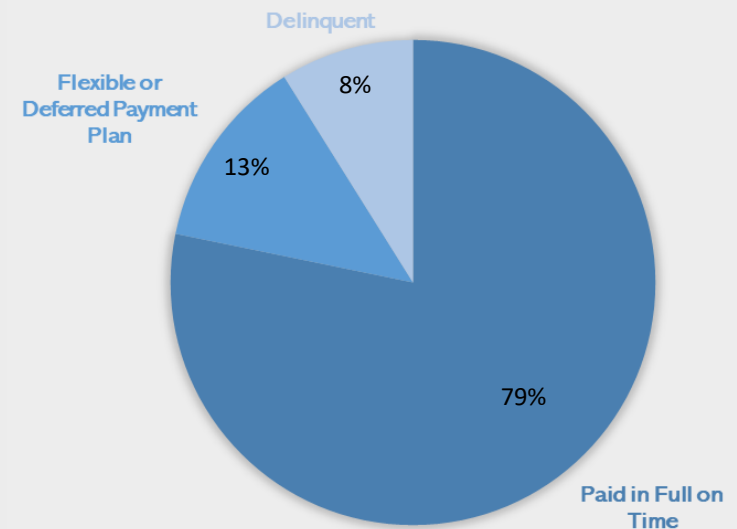
**96%**

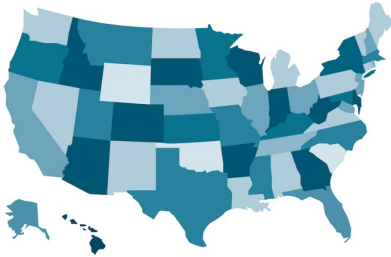
Of Surveyed GAA Member Apartment Communities Began Offering Flexible Payment Plans and Rent Deferral Programs to Residents in Need in March 2020

**13%**

Of Surveyed GAA Member Apartment Community Residents Took Advantage of Flexible Payment Plans and Rent Deferral Programs in May 2020

MAY 2020 GAA RENT SURVEY





Federal Legislative Action

**CARES ACT—Enacted March 27th, 2020**

Created a temporary eviction and late penalty moratorium for 120 days (plus 30 day waiting period) beginning on the date of enactment which applies to covered dwellings in covered properties. \$1 billion to allow the continuation of housing assistance contracts with participating rental housing providers for over 1.2 million Project-Based Rental Assistance (PBRA) households and \$1.25 billion in Tenant-Based Rental Assistance (TBRA) for Public Housing Agencies (PHAs).

**CDC Eviction Moratorium—Enacted September 4th, 2020**

Orders a national eviction moratorium through December 31st, 2020 for all rental properties. Residents must be impacted by COVID-19, be unable to make rent payments due to loss of income and expect to make less than \$99,000 in 2020. No financial assistance was provided alongside the order to residents or properties forced to absorb rent loss.



State Legislative Action

**Statewide Judicial State of Emergency—Enacted March 13th, 2020**

Supreme Court declared a Judicial State of Emergency, during which the courts are ordered to remain open only for essential functions (criminal case arrest and search warrants). The Courts would not conduct business on civil trials or hear dispossessory cases. As of July 15th, 2020, the order has been extended four times, but currently allows for and encourages the use of technology to conduct proceedings in accordance with strict public health guidelines. The Order, however, does allow for Chief Judges to declare more restrictive local rules, as has occurred in several Metro Atlanta counties.



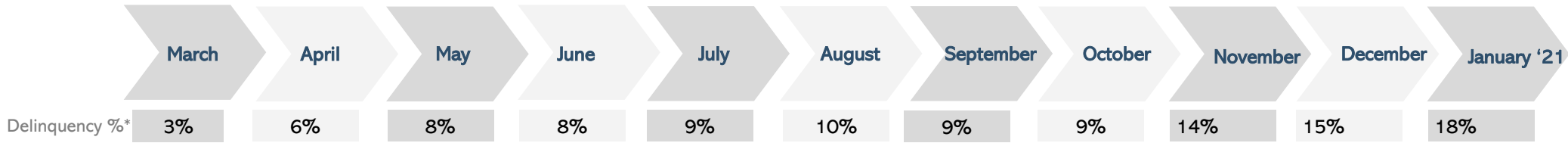
Local Legislative Action

**Atlanta Eviction Moratorium—Enacted March 16th, 2020**

The Mayor of Atlanta issued an executive order calling for a temporary moratorium on residential evictions and filings for non-payment of rent, as well as prohibiting the imposition of late fees or other charges due to late or non-payment of rent during the moratorium for the following public entities that provide or subsidize housing: Atlanta Housing Authority, Atlanta Beltline Inc., the Land Bank Authority, Partners for Home, Invest Atlanta and the City’s Department of Grants and Community Development. The Order was extended through August 31st, 2020.

**Fulton County Magistrate Court Halts Proceedings Through November 2nd, 2020**

The Fulton Magistrate Chief Judge ordered on July 14th that no in-person hearings will take place until November 2nd, 2020, and that virtual hearings may occur only when both parties consent, which is highly unlikely to occur in most dispossessory cases. As such, there is currently no legal remedy for non-payment of rent in Fulton County for the next four months.



**STATEWIDE JUDICIAL STATE OF EMERGENCY**

Enacted: March 13th, Extended Through March 9th, 2021

Regulatory Impact: Civil Cases (Including Dispossessory Hearings) Halted; Some local courts began re-opening on limited basis August 2020

**CITY OF ATLANTA EVICTION MORATORIUM**

Enacted: March 13th, Extended Through March, 31st, 2021

Regulatory Impact: Eviction and Late Penalties Prohibited on Properties Subsidized by City Agencies

**FEDERAL CARES ACT**

Enacted: March 27th

Regulatory Impact: 120 Day (+30 Days) Moratorium on Evictions for “Covered Properties” —Roughly 40% of Metro Atlanta Communities

**FULTON COUNTY MAGISTRATE COURT CLOSURE**

Enacted: July 14th through November 2nd

Regulatory Impact: Court Closure with No Access to Dispossessory Hearings

**CDC MANDATED FEDERAL EVICTION MORATORIUM**

Enacted: September 1st , Extended through March 31st with plans to extend through September 31st, 2021

Regulatory Impact: Eviction Prohibited on All Rental Properties

**TOTAL ESTIMATED FINANCIAL LOSS TO APARTMENT OWNERS IN GEORGIA DUE TO ABOVE REGULATORY ACTION (AS OF 12/31/20)**

**\$610,000,000**

\*Delinquency Rates Derived from Georgia Apartment Association and National Apartment Association (Local Market) Aggregate Survey Data.

\*\*Financial Impact estimate derived from National Apartment Association Local Affiliate Eviction Moratorium Impact Data Report.

### How Does the Financial Loss to the Apartment Industry Impact Local Economies?

It is important to understand that rental property owners have multiple financial obligations, including mortgages, utilities, insurance, taxes, and employee payroll for essential onsite staff, as well as the cost of back-office support staff, providing accounting, training, HR and IT functions. If residents are unable to pay rent as a result of the outbreak, owners are then also at risk of not meeting their own financial obligations, putting that community and its residents at further risk for housing insecurity and putting the owners' employees at risk for job insecurity.

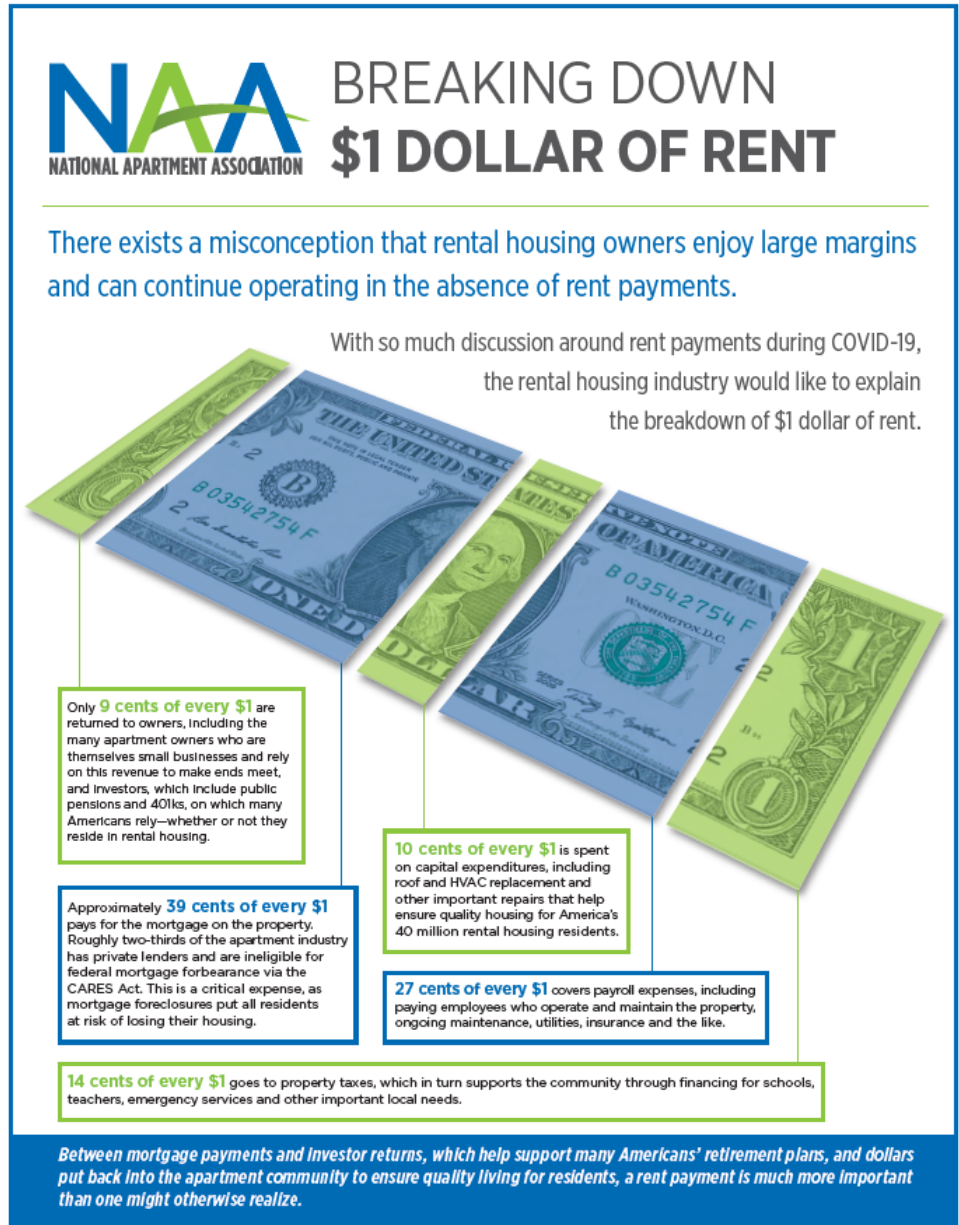
Further, each of these financial obligations that rent payments provide for have great importance – from property taxes that finance schools, emergency services and other local needs, to investor returns that include public pensions and 401(k)s, as well as the dollars put back into the community to ensure quality living for residents.

The estimated \$275 Million in lost revenue to Georgia's apartment owners to date does not begin to account for the cascading economic impact on the thousands of local small and medium-sized businesses that support and rely on our industry and the financial loss they are experiencing.

**GAA—The Voice of the Multifamily Housing Industry in Georgia**

Representing an industry that provides homes to millions of Georgians, the professional apartment management members of the Georgia Apartment Association (GAA) directly employ more than 5,000 Georgians, and the businesses that support the industry provide more than 125,000 jobs.

Our members contribute more than \$1.45 billion in taxes and other revenue for local governments, and every 100 new apartment homes developed generates an additional \$384,000 in taxes and an additional 47 local jobs.



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