



## What you need to know about the HEROES Act

On May 15, the U.S. House of Representatives passed H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act by a party line vote. Viewed by many as a strictly partisan exercise — the bill was drafted without any input from House Republicans — this omnibus legislation includes countless policy proposals that would have wide ranging impacts on American households and businesses and allocates nearly \$3 trillion in additional aid to alleviate the effects of the ongoing COVID-19 pandemic.

Of utmost concern to the apartment industry, the bill would:

- Establish a \$100 billion emergency rental assistance program delivered through the U.S. Department of Housing and Urban Development (HUD) Emergency Solutions Grants program with income target limitations and waiver authority by the HUD Secretary.
- Expand the availability of mortgage forbearance to all multifamily borrowers for 12 months; provide an additional 12 months at the end of forbearance to bring the loan current; and align the covered period for required renter protections with the CARES Act eviction moratorium.
- Dramatically extend the CARES Act’s eviction moratorium to apply to virtually all single family and multifamily rental housing and suspend the collection of fees and halt eviction cases due to nonpayment of rent for 12 months from the date of enactment. Additionally, this section would restrict rental housing providers from issuing “notices to vacate” due to nonpayment until after the moratorium ends and prevent providers from requiring a resident to vacate the premises until 30 days after the notice is served.
- Enable the Board of Governors of the Federal Reserve to establish a credit facility that makes loans available to residential rental property owners to temporarily compensate owners for rent shortfalls in exchange for mandated renter protections, including suspension of evictions, source of income restrictions and unnecessary reporting requirements.
- Prohibit furnishers of information (including rental housing providers that submit information about their residents) from reporting adverse information to credit reporting agencies (CRAs). The restriction applies to consumer (resident) information that was the result of any activity that occurred during a covered period, and this section contains a limited exclusion only for information related to felony criminal convictions.
- Prevent CRAs from including adverse information in consumer reports. If a consumer (resident) reports economic hardship, the CRA would be required to delete related adverse information that occurred during a covered period or in the 270-day period following the end of a covered period.
- Prohibit the collection of consumer debt during a national disaster or emergency.
- Extend the forgiveness period of the Paycheck Protection Program (PPP) loan from 8 weeks to 24 weeks. The proposal also makes eligible all 501(c) nonprofit organizations, such as apartment associations, and provides a 25 percent funding set aside for these entities. However, the HEROES Act does not expand PPP eligibility for multifamily firms previously excluded under the CARES Act and SBA guidance.

## What you need to know about the HEROES Act (Cont'd)

- Other elements applicable to the industry include direct financial assistance to individuals and families (which could cover rental obligations), additional funding for HUD housing programs and critical tax provisions.

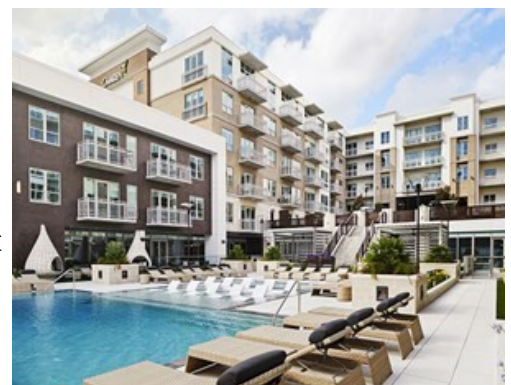
The 1,800-page bill reflects the Democrat-controlled House's wish list of broad policy priorities beyond COVID-19. Given its broad scope and price tag, it faces an uphill battle as it moves to the Republican-led Senate for consideration. Senate Republican leaders have already declared the package "dead-on-arrival." Robust discussion and negotiations have taken place in the weeks following the bill's passing and the National Apartment Association (NAA), alongside our members, continue to be a part of those conversations.

NAA and the National Multifamily Housing Council (NMHC) are working with members of both chambers to ensure policymakers understand both the severe impacts to the apartment industry and its residents from what is being proposed and what is needed to maintain stability in the rental housing system. Rental housing operators urgently need relief in the next federal package as they provide housing and essential services to 40 million Americans, many of whom continue to shelter in place at home. Federal policymakers must ensure that providers can effectively manage their communities and remain solvent despite financial strains. As the crisis continues and renters' savings are depleted, ongoing challenges will interfere with renters' ability to pay their rent, which could have cascading effects not only on the rental housing system, but state and local governments and the broader economy.

## Re-Opening Office and Amenity Spaces

Large gatherings are a new concern for multifamily housing operators. Pools, fitness centers, clubhouses, dog parks, theaters, playgrounds and other amenities frequently attract large groups, a scenario at odds with current guidance from the Centers for Disease Control and Prevention (CDC) concerning stemming the spread of the COVID-19. While the excitement of re-opening amenity spaces is palatable among many residents, it's important to proceed with extreme care and caution.

The safety of employees and residents should be at the forefront of decision-making. Recently released guidance from the White House's Guidelines for Opening Up America Again lays out a three-phase program for reopening businesses. However, multifamily housing is unique and other advice to take into consideration should include recommendations from health officials, local jurisdictions and relevant authorities and organizations as they release and refine their own reactivation plans. In addition to these sources, this article is meant to serve as a basis for guidance around re-opening office and amenity spaces within your own company.



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## Re-Opening Office and Amenity Spaces (Cont'd)

### Leasing Offices

For leasing offices, staff should follow all municipal, Centers for Disease Control and Prevention (CDC) and local health department protocol concerning opening to the public. Consider creating areas for greeting guests and waiting areas inside the clubhouse/leasing office. Inside the office, social distancing markers should be placed six feet apart. Staff members should be required to wear masks per CDC recommendations when interacting with others. Space out workstations for office staff and rearrange or remove seating to accommodate safe distancing for residents and prospects. Limiting the number of onsite staff that works at one time or limiting office hours may remain in place until the need arises for increased staff or restrictions are reduced. Consider staggering shifts (alternating days for paired teams) for employees until it's advisable to return all employees.

Prospective residents will be allowed in, but the number will be limited depending on available personnel and the size of the leasing office. Prospects/residents may not be required but should be encouraged to wear mask per CDC recommendations. Tour policies may vary, with many companies continuing to offer an option of "self-guided" tours in addition to in-person standard tours, of which the opportunity may be limited. Others will continue to offer virtual tours if appropriate technology is in place to enable this option. Sharing a golf cart is not advised when adhering to the six-foot rule. Prospects will need to use their own vehicles to tour the property if a walking tour is infeasible.



### Clubhouse

If your clubhouse has been unoccupied for seven or more days, it will only necessitate normal routine cleaning to reopen the area, as the virus that causes COVID-19 has not been shown to survive on surfaces longer than one week, according to the CDC. Because occupancy for resident events should be limited to fewer than 15 people at a time, it is recommended that virtual events are held instead until these restrictions are reduced or removed at the federal and state levels. Consider reducing operating hours so proper cleaning can take place.

A strong focus by staff should be placed on sanitizing work areas, public areas and commonly touched places (door handles, elevator buttons, etc.) and placing hand sanitizers in common areas. The U.S. Environmental Protection Agency (EPA) released a list of EPA-registered disinfectant products that are qualified for use against this strain of coronavirus through the agency's Emerging Viral Pathogen program. The CDC recommends reducing the risk of exposure by making long-term changes to practices and procedures to include reducing the use of porous materials used for seating, leaving doors open to reduce touching by multiple people, opening windows to improve ventilation and removing objects in your common areas such as coffee-creamer containers. If food and/or drinks are offered as refreshments for residents and prospects, consider only offering prepackaged foods. Elevator button panels should be disinfected at regular intervals throughout the business day.

## Re-Opening Office and Amenity Spaces (Cont'd)

### **Fitness Centers**

Opening your fitness center should first address strength and cardio areas, where you can ensure proper social distancing will be observed. Gyms may need to be reconfigured to increase the space between equipment, and capacity limitations should be considered, as well as alternating machine use to maintain rigorous cleaning schedules. Placing markers on the floor to indicate where residents can stand to remain six feet apart will assist in reinforcing the importance of social distancing, especially if your fitness center typically experiences high traffic.

Send an email to residents with new guidelines to include social distancing information, hours of operation, where to sign-up, if applicable, and guidance on sanitizing equipment after use. Because apartment gyms are rarely staffed, buildings would have to trust residents to properly clean the equipment, and this can prove challenging. It is suggested for a contracting company to come in weekly at minimum for a deep cleaning of fitness facilities. Increasing the frequency of daily cleanings is advised and can be achieved by scheduling gym closures throughout the day to allow cleaning crews or your maintenance team to thoroughly clean the equipment and floors. It may be best in the early stages to eliminate 24-hour gym availability to ensure that fitness centers receive a complete cleaning at the end of each day. To avoid risking your warranty coverage, be conscious of the guidance from your equipment manufacturer and their recommended procedures for cleaning and disinfecting. Following instructions ensures that the maintenance schedule is in line with maximizing product life.

### **Swimming Pool**

According to the CDC, there is no evidence that the virus that causes COVID-19 can be spread to people through the water in pools, hot tubs, spas or water-oriented play areas. Proper operation and maintenance of these facilities should render the virus incapable of spreading in the water. In addition to ensuring water safety and quality, owners and operators should follow the interim guidance for businesses and employers for cleaning and disinfecting their community facilities. The pool water is constantly being disinfected by chlorine, but there may be a need for extra disinfecting of items outside of the pool, such as:



- a. Door handles inside and outside
- b. Handrails and pool ladders
- c. Restroom doors, faucets, sinks, soap and paper towel dispensers, toilet flush levers and baby changing stations
- d. Drink dispensing equipment and water fountains

## Re-Opening Office and Amenity Spaces (Cont'd)

e. Light switches

f. Telephones and emergency shut-off buttons on spas, dials for spa jets

In addition to posting notices that the social distance policy is to be observed at the pool, pool owners may want to limit the number of people allowed inside the pool area at any one time. Residents may be assigned specific days to use the pool and must stand or sit in spots marked out on the surrounding pool deck, maintaining safe distances. Limiting the length of time residents can stay at the pool increases the total number of people that can use the pool each day. The best way to execute this is to designate blocks of pool time available for people to visit the pool each day.

An additional consideration is the removal of some deck furniture to further encourage social distancing. Because pool furniture cannot be reliably disinfected between each user, consider having residents bring their own chairs each time they come to the pool. If you choose this option, the pool furniture can be stacked and locked up with a coated cable and padlock. There has been discussion among owners in certain municipalities about needing to hire pool attendants to help monitor social distancing, so it is advised to check on all legal requirements ahead of any openings.

Enforcing occupancy standards and social distancing regulations may be the most difficult aspect of operating a pool this year. There are several options to consider for handling this situation, depending on budget, available technology and staff time. a. Use technology tools to offer residents access to an online scheduling platform to reserve time at the pool b. Post occupancy limitations and allow residents to self-enforce this rule c. Pool staff can limit the number of people on a first-come, first-served basis d. Set hours or days for use by specific groups based on their address or last name, for example.

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