

Eviction Moratorium Exit Strategy

Talking Points

- NAA has long held that the CDC overstepped their authority in issuing a sweeping federal eviction moratorium, something that courts across the country are now ruling too. NAA believes it is past time to sunset the CDC moratorium – **the order should expire as scheduled on June 30. This is essential to mitigate any additional damage to both renters and their housing providers and is appropriate given the trajectory of both the COVID health crisis and the nation's economic recovery.**
- Before COVID, the nation faced a housing affordability crisis due to low/aging housing stock and high demand.
- The pandemic has been destructive and detrimental for the industry:
 - In February 2021, rent payments were down from levels a year-ago in 45 of the 51 markets tracked by RealPage.
 - The meter is still running on rent debt - estimates vary, but according to a conservative estimate by MBA renters owed \$8B for Q1 2021, up from debt accrued in Q4 2020 – illustrating what the industry knows to be true.
 - This is on top of an estimated 10.25 million renters who were behind on \$57.3 billion in rent by January 2021, according to Urban Institute.
- Further, the impacts of short-term pandemic policies pose long-term threats to the industry:
 - The CDC's eviction order leaves renters facing insurmountable debt and jeopardizes the ability of rental housing providers to provide safe, sustainable and affordable housing.
 - The eviction moratorium should sunset so that we can have discussions with residents – about flexible payment plans, how they can pay – not so we can evict people.
 - The distribution of critical rental assistance has been slow; renters and rental housing providers desperately need these funds to catch up on their bills.
- Despite facing unprecedented challenges, rental housing providers of all sizes are going above and beyond to help their residents where they can:
 - Of owners that received less than full rent, 52% created flexible payment programs for residents and 45% forgave some amount of missed rent (National Rental Home Council).
- The industry has been left to foot the bill for rental arrears for more than a year now – and as a small profit margin industry, many rental housing providers won't be able to hold on much longer.
 - Only 10 cents of every rental dollar is profit.
 - Small mom-and-pop landlords are struggling and aren't the exception—they own more than 50% of the nation's rental housing stock (22.1 million units).
 - About 30% of mom-and-pop landlords are considered low- to moderate-income, meaning they make less than \$50,000 per year (Brookings Institute Report).
- **The longer the eviction moratorium stays in place, and the longer it takes for rental assistance to reach those who desperately need it, the worse the housing affordability crisis will be on the other side of the pandemic.**
 - Warning signs provide a hint for what's to come:
 - 30% of single-family rental home property owners say they will be forced to tighten standards when evaluating future rental applications, 11% forced to sell at least one of their properties, and 12% forced to sell all their properties (National Rental Home Council).

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- **When the moratorium ends, there won't be a tsunami of evictions that many suggest.**
 - Filings don't equal eviction
 - Court backlog will prevent tsunami of evictions
 - Rental assistance getting distributed will prevent many of these cases from the courts
- There is not an incentive to evict residents who are communicating and working with their housing provider – evictions take time and money, and ultimately leave providers with an empty unit to turnover, market and sell (which costs even more money).
- An eviction also doesn't mean a housing provider will automatically receive the money that they are owed.
- **The collective emphasis needs to shift to rental assistance and supporting those who need help most – low- to moderate-income residents.**
- **The bottom line is that eviction is always a measure of last resort** – the industry is in the business of housing people, and trying to find another tenant means months of no rent and more hassle for rental housing providers.
 - We all continue to share – and will continue to share – a common goal of keeping people in their homes.
 - Evictions are an unfortunate part of rental housing operations. Though a measure of last resort, evictions allow all parties due process and a day in court.
 - The CDC Order does not allow rental housing providers access to the courts.
- COVID-19 has highlighted the housing affordability crisis and it is time to move on from harmful moratoria and instead embrace policies that address the root cause of affordability issues. **NAA has and will continue to combat the housing affordability crisis by advocating for sustainable solutions.**
 - Our advocacy has helped bring about the introduction of both the Choice in Affordable Housing Act, which will significantly improve the Section 8 Housing Voucher Program, and the Yes In My Backyard (YIMBY) Act, which will remove critical barriers to housing development.
 - NAA supports the Build More Housing Near Transit Act, which would spur the development of more affordable and sustainable housing with easy access to transportation infrastructure.
 - NAA also supports the Promoting Affordable Housing Near Transit Act, which will transform unused land left from federal transit projects into affordable housing, helping to strengthen communities and broaden access to jobs and resources.