



LINGERING CHALLENGES WITH THE CARES ACT EVICTION MORATORIUM

The CARES Act established a temporary 120-day moratorium on evictions due to nonpayment of rent, applicable to federally-backed and federally-assisted housing. This section of the CARES Act also instituted what should have been a temporary notice procedure, requiring housing providers to notify covered residents 30 days before filing for eviction after the moratorium ended on July 24, 2020.

Because of a drafting error, this federal "notice-to-vacate" requirement remains a contested issue in courts today, long after the moratorium itself ended. It supersedes states' established eviction laws—exceeding required notice procedures and further delaying the start of the eviction court process.

Backlogs in the courts are stretching from weeks or months to more than a year in some jurisdictions. Meanwhile, owners and managers face even more lost rent while they wait. This is particularly challenging for operators of subsidized housing and mom and pop landlords and ultimately hurts the tens of millions of Americans who work in the industry as well as the nation's renters.

For professional owners and operators of rental housing, eviction is a last resort. Their businesses always do better when units are occupied and when they can fully meet their obligations to their residents, employees, creditors and the communities that they serve.

We urge Congress to strike subsection (c) from Section 4024 of the CARES Act (15 U.S.C. 9058), making clear that this emergency requirement for housing providers has ended. The CARES Act notice-to-vacate requirement was intended to be a temporary, emergency extension of notice during the height of pandemic uncertainty, and not a permanent change to states' eviction laws.

NAA is a strong supporter of the Respect State Housing Laws Act (H.R. 802 introduced by Congressman Barry Loudermilk (R-GA-11)) which eliminates the CARES Act notice requirement and returns eviction policies back to the states. We need Congress' support of H.R. 802's passage to ensure that property owners can effectively manage their properties and continue to provide quality, affordable housing to their communities.

NAA Viewpoint

We urge Congress to correct lingering challenges with the CARES Act eviction moratorium by striking subsection (c) from Section 4024 of the CARES Act (15 U.S.C. 9058), making clear that this emergency notice procedure for housing providers has ended.

The Eviction Process for Nonpayment of Rent

victions are costly and difficult for all parties involved.

Yet, the eviction process is critical for resolving landlord and tenant disputes and for housing providers to legally recover possession of their property when a renter violates the lease agreement. The eviction process varies widely by jurisdiction.

THE PANDEMIC

Court backlogs are stretching the Ueviction process from a number of weeks or months to more than a year in some jurisdictions, while housing providers remain unpaid. Housing providers are utilizing all available resources to keep their residents housed throughout the pandemic and being as flexible as their circumstances allow.

However, housing providers cannot continue to operate their businesses and maintain the housing for their renters with sustained losses in rental income.



LEASE VIOLATION

Housing providers must take action when residents violate the terms of their lease.



EVICTION MITIGATION

Housing providers are in the business of housing renters and will work with them to resolve outstanding issues and avoid eviction.



NOTICE

Housing providers provide renters with notice and an opportunity to cure nonemergent lease violations. Notice periods vary according to state law, on average 8-day period.*



COURT FILING

If the renter does not resolve the lease violation, the housing provider files a complaint, pays court costs and obtains legal representation (typically required for corporations).



COURT RULING

The court can rule in favor of the housing provider and grants possession or in favor of the resident and dismisses the eviction case



"PAY AND STAY"

Throughout the court process, a renter who is subject to eviction due to nonpayment can pay their outstanding rent, fees and court costs to avoid eviction and remain housed, depending on applicable right of redemption laws or the parties' willingness to settle.



COURT HEARING

The court serves as an arbiter to determine a resolution when the parties cannot come to an agreement and determines whether an eviction judgement is warranted.



PLEADINGS

The housing provider and renter may file court documents to dispute the other party's allegations.



RENT ESCROW

In some jurisdictions, the court requires the renter who is subject to eviction, to pay rent into escrow while the eviction is processed.



APPEAL PERIOD

Renters and housing providers have an opportunity to appeal the court's ruling.



WRIT FILING

In some jurisdictions, the housing provider must file for a writ to recover possession of the unit following a judgement in their favor from the court.



JUDGMENT EXECUTION

Local law enforcement must oversee a peaceful transition when the renter is required to move out and the housing provider changes the locks.



POSSESSION RECOVERY & LEASING

After the housing provider regains possession of the unit, they clear the unit of debris, repair any damages and prepare the unit to be re-rented.







Housing Affordability

Housing affordability is a complex issue driven by diverse factors including income levels, land and natural resource availability, population growth and housing supply-demand imbalance. To remedy these issues, lawmakers at all levels of government must prioritize solutions that increase the supply and availability of rental housing at all price points.

Barriers to development remain a significant impediment to increasing the supply of rental housing. NAA conducted a national survey to better understand these factors and what constraints they place on the supply of rental housing. This research suggests that physical, administrative and regulatory barriers contribute to the rising cost of development and halt the delivery of quality affordable rental housing.

NAA strongly urges members of Congress to support passage of bipartisan legislation – the Yes in My Backyard Act (YIMBY) Act – which encourages localities to eliminate discriminatory land-use policies, increase thoughtful and inclusive development practices, and requires periodic reporting of local efforts to reduce barriers to development. This legislation, which passed the House in 2019 with overwhelming bipartisan support.

In addition to reducing barriers to development, lawmakers must prioritize enhancements to the Section 8 Housing Choice Voucher (HCV) program. The HCV program has long served as America's primary method of rental assistance. This public-private partnership has the potential to be the nation's most effective, short-term solution to address housing affordability, but only if the red tape associated with the program can be reduced. Housing provider participants experience inconsistent support from public housing authorities (PHAs) to manage programmatic challenges, inspection delays, and prescribed rents and rent increases, which do not keep pace with market rates. This creates uncertainty in their operations and undermines the ability of owners to properly manage risk.

NAA is a proud supporter of the Choice in Affordable Housing Act (S. 32 introduced by Senators Chris Coons (D-DE) and Kevin Cramer (R-ND)) and calls on Congress to pass this bipartisan legislation immediately. This bill would to improve housing affordability nationwide by

- Creating grants to incentivize housing provider participation in the HCV program;
- Providing security deposit assistance for low- and moderate-income renters and protect owners' investments;
- Allowing greater flexibility in the scheduling of unit inspections; and
- Establishing a fund for PHAs to hire staff as dedicated "landlord liaisons".

The Choice in Affordable Housing Act would encourage greater housing provider participation and improve outcomes and access to areas of opportunity for low- and moderate-income renters.

NAA Viewpoint

Housing affordability is a complex issue that is best remedied by solutions that increase the supply and availability of rental housing at all price points.

LEASING PROCESS COMPARISON Renter **Housing Choice Voucher** Receives **Leasing Process** Voucher **Housing Authority Process Leasing Office Process Completes Rental Application** Renter Returns RFTA to HA LO & Renter Sign RFTA **Not Qualified** Qualified (apartment must be held vacant Schedule HQS Inspection until steps below are completed) **HQS** inspection of Unit Rent Reasonable Test - RRT \mathbf{x} (x) **Pass** Fail Renter Continues Reinspection Search **Pass RRT** Fail RRT % LO Declines To Send Rent **Receive Rent Portions Below Market Accept Below Portions Market Rent** Sign Lease & **HAP Contract Inspection & Home Inspection** 1 Move-In Fail Renter Search Begins Again First Payment Reinspection Possible Rent Abatement due to Renter Non-Compliance Renewal/Rent Increase **New RRT** HA Sent to Renter & HA **Process Repeats** ACRONYM KEY Renter Elects **Renter Accepts New Rate** Renter LO - Leasing Office - Housing Authority RFTA - Request for Tenancy Approval Wait for First Payment Receive Rent Portions Post-Renewal RRT - Rent Reasonable Test **HQS** - Housing Quality Standards **HAP** - Housing Assistance Payment Contract **Standard Leasing Process** Move In & Sign Lease Renewal Sent Resident & Pay **Enjoy Home** to Resident Deposit For Lease Term Qualified Tours Home, Renter completes to Move application Resident Searches Renter Continues **Gives Notice Not Qualified** For New Search To Move



Housing Supply Bills in the 117th Congress

- Housing is Infrastructure Act H.R. 4497 (117th). Introduced by Congresswoman Maxine Waters (D-CA). Reintroduction TBD.
- Yes In My Back Yard Act (YIMBY) H.R. 3198, S. 1614 (117th).
 Introduced by Congressmen Killmer (D-WA) and Hollingsworth (R-IN) and Senators Schatz (D-HI) and Young (R-IN). Reintroduction Expected.
- Better Planning and Land-Use for Accessible Neighborhoods Act (BETTER PLAN Act) – S. 768 (117th). Introduced by Senator Cortez-Masto (D-NV). Reintroduction Expected.
- <u>Build More Housing Near Transit Act H.R. 2483, S. 3237 (117th).</u>
 Introduced by Congressman Peters (D-CA) and Senator Schatz (D-HI). Reintroduction Expected.
- Housing Supply and Affordability Act H.R. 2126, S. 902 (117th).
 Introduced by Congresswoman Blunt-Rochester (D-DE) and Senator Klobuchar (D-MN). Reintroduction Expected.
- Affordable Housing Credit Improvement Act H.R. 2573, S. 1136 (117th). Introduced by Congresswoman DelBene (D-WA) and Senator Cantwell (D-WA). Reintroduction Expected.
- <u>Middle Income Housing Tax Credit S. 3365 (117th).</u> Introduced by Senator Wyden (D-OR). Reintroduction Expected.
- <u>Revitalizing Housing, Economies, and Business (REHAB) Act H.R.</u> <u>1483 (117th).</u> Introduced by Congressman Blumenauer (D-OR). Reintroduction Expected.