

PRESS RELEASE January 6, 2021

## California COVID-19 Rent Relief Policies Economically Unsustainable

New state data finds pandemic has resulted in \$1.7 billion in unpaid rent

(Sacramento, CA); A coalition of California associations representing rental property owners wrote California State Legislative leaders yesterday, underscoring the economic consequences of the State's COVID-19 pandemic rent relief policies.

Enacted legislation (<u>AB 3088/Chiu</u>) prohibits tenants from eviction for non-payment of rent due to loss of income resulting from the COVID-19 Pandemic. Assembly Bill 3088 is set to expire on February 1, 2021, and that is why a diverse coalition supports legislation (Senate Bill 3 authored by Senators Caballero and Bradford) to extend AB 3088 until March 31, 2021. The coalition also expressed opposition to Assembly Bill 15 and Senate Bill 64 authored by Assemblyman Chiu and Senator Leyva respectively.

In its letter to Senate President Pro-Tem Toni Atkins and Assembly Speaker Anthony Rendon, the coalition writes, "We understand and empathize with the people for whom we provide housing. We know the Legislature is tasked with finding ways to lessen the COVID-19 crisis' effects, especially for those who can least afford it or those on the front lines. However, we believe any temporary or permanent discussion about how to help those affected by COVID-19, must involve our groups and our members."

The coalition is calling on the State Legislature to create a financially stable housing environment so that rental property owners can continue to exist and provide affordable housing. Data recently released by State of California predicts that from March 2020 through January 2021, there will be approximately \$1.7 billion of unpaid rent, revenue property owners need to pay for their operating expenses, mortgages and personal and family obligations.

The coalition is concerned that if the State Legislature extends AB 3088 for an extended period of time, many property owners will be forced to sell their properties at below market values or begin to default on their bank loans or file for bankruptcy.

The coalition writes, "Our members have families, and they are trying to pay their taxes and mortgages too. They are trying to put food on their tables, trying to put kids through college, and trying to save for retirement, just like everyone else. Just because our members may own a rental property does not mean they have not experienced the impacts of fulltime job loss or

contracted the Coronavirus or cannot work while caring for a family member that may be ill. This is not to say they are any more or less affected than anyone else. We recognize that and, in fact, we are all in this together. Lawmakers can implement some policies right now that can help the people that we house and help our members stay in the housing business."

The <u>coalition letter (linked)</u> includes the Western Manufactured Housing Communities Association; California Rental Housing Association; Southern California Rental Housing Association; CMPA; Security Investment Company; East Bay Rental Housing Association; Apartment Association, California Southern Cities; Apartment Association of Orange County,;Apartment Association of Greater Los Angeles.

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