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VIA EMAIL DELIVERY

Sen. Brian Kavanaugh

LOB 512

Albany, New York 12247

kavanaugh@nysenate.gov

 Re: S.8140-A

Dear Senator Kavanaugh,

I hope this letter finds you well and safe during this most difficult time.

I write to request a conference call to discuss your bill referenced above, on behalf of the members of the *New York Capital Region Apartment Association* (NYCRAA) and the *UnderOneRoof NY* coalition.

NYCRAA and UnderOneRoof is a coalition of small business landlords, property owners and tenants residing in properties across the Capital Region and upstate New York. While we thank you for contemplating a voucher program in S.8140-A, we would like to discuss additional considerations for inclusion in your proposal, particularly important during this most uncertain time.

As you know, a record 10 million plus workers across the nation applied for unemployment benefits the last few weeks. Given that number, the apartment industry is expecting a significant number of New York State residents will be affected by furloughs or job loss, which could inhibit their ability to pay their rent–even with the assistance.

With stay at home orders in New York State, property owners are incurring additional expenses, such as maintenance, third-party cleaning costs to hire companies equipped with proper PPE to enter into a unit where a resident has tested positive for COVID19 and clean common areas and other expenses that are required as reasonable accommodations to support their residents. In addition to these unexpected additional costs, many residents are at risk of not being able to fulfill their rent obligations. As a result, these increased costs combined with rent payment shortfalls have already impacted the ability of rental property owners to satisfy their own financial obligations. To make matters worse, despite original Congressional intent to assist all businesses with the PPP, the SBA issued an interim final rule on April 2 that specifically denies eligibility to rental housing developer and owner firms, including student housing and manufactured home park owners. It is critical that property owners be able to protect and pay their employees and independent contractors in order to maintain operations. Without the SBA reversing this decision, your voucher system appears to be one of the few solutions that would help property owners and their residents.

The industry is also challenged by residents who are fully able to meet rental obligations but may be persuaded by rent strikes or misunderstand their continued requirements and the importance of making timely rental payments.

Our organizations urge financial support to rental property owners to mitigate these losses due to COVID- 19 and are aware of other groups working at the federal level to this end. While the CARES Act includes a number of provisions for individuals and businesses, such as direct payments to individuals and families, expanded unemployment insurance and a small business loan/grant program that will be helpful to renters and the rental industry, these funds are not tied to housing obligations and will not be sufficient to address the financial challenges that both renters and the rental industry are now facing. More direct emergency rental assistance is necessary. Those groups working at the federal level are advocating for additional relief and stimulus legislation for America’s rental housing providers, housing professionals and our residents.

**Specifically they are asking Congress to consider the following-:**

* Create an emergency rental assistance program for those who are impacted by the COVID-19 crisis and struggle to cover housing expenses.
* Better tailor the CARES Act eviction moratorium provision and safeguard owners’ ability to effectively manage their communities.
* Allow more housing providers access to mortgage forbearance and ensure fairness and flexibility in its terms.
* Provide financial assistance for property-level financial obligations such as property taxes or insurance payments and extend credit to multifamily mortgage servicers.
* Expand the Small Business Administration’s Paycheck Protection Program to include all multifamily businesses.

However, our industry continues to face potentially dire economic circumstances that will devastate the affordability, availability and stability of the rental housing supply in both New York and nationwide. With that in mind, apartment firms are bracing for an uptick in late payments and skips for April and likely even bigger jumps for May and possibly June.

Assistance and protections are needed to avoid any type of negative disruption or impact on renters or housing providers which could include loan default, tax liens or other negative legal actions and ultimately put the property and its residents at risk.

We respectfully request your time to hear our concerns. I will follow up on behalf of our clients to ascertain a date and time convenient for you to discuss the aforementioned.

Thank you for the consideration.

Lisa M. Marrello, Esq.

 