

Background

Included in the CARES Act was a provision that required landlords to provide tenants with 30 days notice before a landlord can begin an eviction proceeding. This eviction notice requirement was supposed to be a one-time grace period when the eviction moratorium ended; but a drafting error caused the 30-day notice requirement to remain in law permanently. This overrides state eviction notice laws, which, on average, are eight days.

For professional owners and operators of rental housing, eviction is always 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. COVID-19 highlighted housing providers' efforts to utilize all available resources and be as flexible as their circumstances allow to help their residents remain stably housed.

Yet, housing providers are still recovering from the pandemic, and resulting backlogs in the courts are stretching the eviction process from weeks, to months, or even more than a year in some jurisdictions, while housing providers remain unpaid.

This federal notice to vacate requirement supersedes states' established eviction laws, exceeds any existing notice procedures, and further delays the start of the eviction court process. Meanwhile, owners and managers face even more lost rent while they wait.

The rental housing industry cannot continue to manage their communities successfully with these sustained losses of rental income. This is particularly challenging for operators of subsidized housing and mom and pop landlords, ultimately hurting the tens of millions of Americans who work in the industry and the nation's renters.

Respect State Housing Laws Act

The Respect State Housing Laws Act (H.R.802) was introduced on February 2, 2023, by Representative Barry Loudermilk (R-GA), and was referred to the House Committee on Financial Services.

It is our belief that the CARES Act notice-to-vacate requirement was intended to expire when the eviction moratorium itself expired, and not be a permanent change to states' eviction laws. We urge Congress' support of a legislative fix to ensure that property owners can effectively manage their properties and continue to provide quality, affordable housing to their communities.

Federally assisted housing puts people into homes who otherwise would have challenges obtaining safe and decent housing. Providing assistance to low-income earners helps them find housing and helps real estate managers and owners fill vacancies. IREM Members own and manage over 60% of all federally assisted housing and public housing units in the United States.

Background

The Choice in Affordable Housing Act (S. 32) is bipartisan legislation that aims to increase private sector participation in the Section 8 Housing Choice Voucher (HCV) Program. The Senate bill was introduced by Senator Chris Coons (D-DE) and Senator Kevin Cramer (R-ND).

As part of reaching the goal of providing voucher holders access to high-opportunity areas, Congress should increase resources in the HCV program to attract and retain landlords, who are key partners. According to HUD, an average of 10,000 housing providers have left the HCV program each year between 2010 and 2016. Landlords can be reluctant to accept vouchers due to payment standards, the administrative process, and negative perceptions of voucher holders. However, many landlords are willing to accept vouchers with basic supports in place, such as having a staff liaison or risk management.

Critical reforms in the bill include:

- Provide \$500 million to create a Housing Partnership Fund. The funds would be distributed for:
 - Public Housing Agencies (PHAs) to offer a signing bonus to a landlord with a unit in an area with less than 20% poverty.
 - PHAs to provide security deposit assistance, so that tenants can better afford to meet required deposits and landlords are assured greater protection against damages; and
 - HUD to provide a financial bonus to PHAs that retain a dedicated landlord liaison on staff.
- Inspection reciprocity so that owners and operators already subject to other federal inspection protocols satisfy HCV requirements.
- Allow for “pre-approval” of units where a new housing provider participant can request an inspection of units and use that inspection to lease to a participating resident within 60 days.
- Application of Small Area Fair Market Rent (SAFMR) methodologies in more jurisdictions to ensure accuracy of payments and alignment with market rates, including an exception to prevent SAFMR calculations from decreasing rent payments.

Congressional actions to date

On January 24, 2023, the bill was introduced and referred to the Committee on Banking, Housing, and Urban Affairs.

We urge members to contact their Senators and ask for their support for the Choice in Affordable Housing Act.



INSTITUTE OF REAL ESTATE MANAGEMENT

IREM® Headquarters

430 North Michigan Avenue, Chicago, IL 60611
(800) 837-0706 irem.org getinfo@irem.org

Hi, we're IREM®

We're an international institute for property and asset managers, providing complete knowledge to take on real estate management's most dynamic challenges. That means knowledge prepared for the day-to-day and the one-of-a-kind: from solving the latest tenant crisis to analyzing market conditions.

For 90 years, our members have made us the world's strongest voice for all things real estate management. Today, almost 20,000 leaders in commercial and residential management call this home for learning, certifications, and networking.

Founded: Chicago, Illinois, 1933

Membership: Over 18,000 individuals; 500+ companies

Number of chapters: 78 domestic; 16 international

2023 leadership:

President: Renee Savage, CPM®, CCIM
SavageCRE, Inc., San Diego, CA

President-Elect: Libby Ekre, CPM®
MEB Management Services, AMO®, Phoenix, AZ

Secretary/Treasurer: Dawn Carpenter, CPM®
Dawning Real Estate, Inc., AMO®, Staten Island, NY

CEO/Executive Vice President:
Linda Caradine-Poinsett, PhD, MJ, MBA

IREM Certified Sustainable Property:

Practical, affordable sustainability. A green building certification for existing office properties, multifamily communities, shopping centers, medical office buildings, and senior housing communities, the IREM CSP allows owners and managers to collaborate on sustainability programs for their entire portfolios, not just a select few properties. Learn more at irem.org/gogreen.

IREM members' areas of expertise by property type:

Residential

- Affordable housing
- Public housing
- Apartments
- Condos/Co-ops/HOAs
- Manufactured housing
- Military housing
- Senior housing
- Single family housing
- Student housing

Commercial

- Industrial/warehouse
- Land parcel
- Medical buildings
- Office buildings
- Parking garages
- Self-storage
- Shopping centers/retail

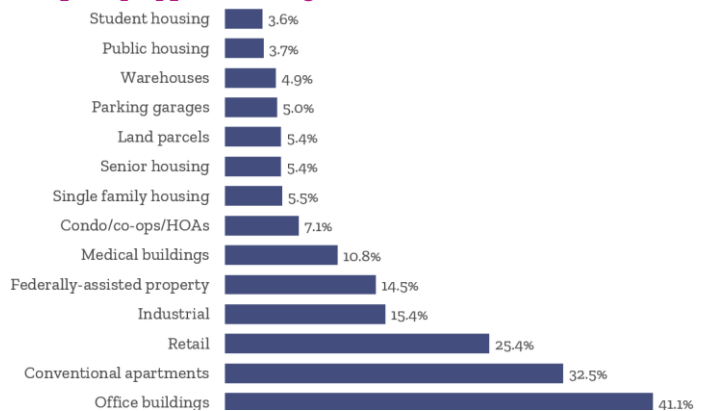
IREM professional training subjects include:

- Finding ways to boost efficiency, trim waste and sustain value
- Shepherding assets to success at every level, from site maintenance to loan analysis to investment
- Gaining financial acumen to create, maximize and sustain value
- Economics of real estate investments
- Using leading-edge marketing and leasing strategies for competitive advantage and generating higher returns for clients
- Strengthening client relationships
- Protecting tenants, residents and owners through maintenance and risk management

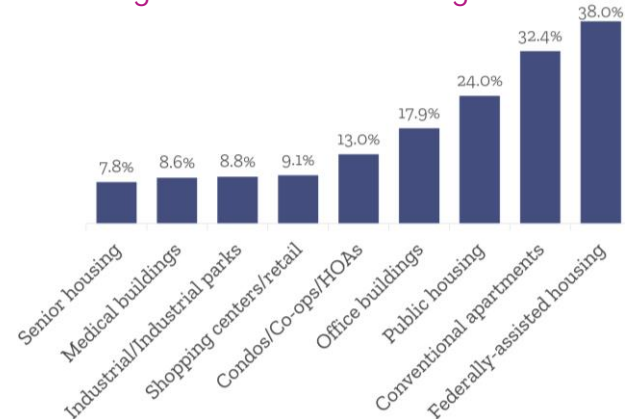
The CPM designation by the numbers:

- \$9.3 billion purchasing power annually
- \$2.1 trillion in real estate property assets managed
- 11.6 million residential units managed
- 12 billion sq. ft. of commercial space managed

Property types managed:



Percentage of U.S. market managed



ADA lawsuit reform

IREM supports legislation to create a “notice and cure” provision within Title III of the ADA. This would allow business owners the opportunity to rectify violations within a reasonable amount of time before being threatened with costly lawsuits or demand letters for a monetary settlement. IREM believes that this reform will protect building owners, while still holding them accountable for ensuring accessibility to all Americans.

Assistance animals

IREM invites guidance from the government on the issue of assistance animals (also referred to as emotional support or companion animals) with respect to the Fair Housing Act (FHA). Unlike service animals, which are regulated by the Americans with Disabilities Act (ADA), companion animals receive no specialized training and are typically for individuals with mental disabilities or those in need of emotional support.

Data security

Property managers collect and maintain huge amounts of sensitive data, including social security numbers and financial information, putting them at risk from cyber-criminals. IREM supports government efforts aimed at sharing information about possible cyber threats, establishing reasonable data security standards, and helping avert security breaches and their aftermath. IREM opposes legislation that would be overly onerous on property owners and managers or their clients.

We also strongly encourage members to use best practices to protect their clients’ confidential information.

Fair Housing

IREM believes in equal opportunity in housing and supports the right of all people to freely choose where they will live without the constraint of prejudice or discrimination. IREM opposes practices and policies that have a known discriminatory effect on any demographic group defined by race, color, religion, national origin, sex, handicap, familial status, sexual orientation, or gender identity.

Disparate impact housing theory

IREM is opposed to policies and practices which are known to have a disparate impact on any demographic group defined by race, color, religion, national origin, sex, handicap, familial status, sexual orientation, or gender identity.

However, IREM supports the ability for real estate professionals to continue such policies or practices if there is a legitimate business purpose for the policy, and that purpose cannot be accomplished in a readily identifiable and not unduly burdensome means with a less discriminatory impact. IREM further opposes actions that require unreasonable research into whether such policies or practices have a disparate impact or discriminatory effect.

Source of income discrimination

Some state and local governments have designated source of income as a protected class under their fair housing laws forcing property managers to accept tenant-based subsidies. By accepting these subsidies, landlords must also accept lease amendments to comply with government requirements.

We support government-assisted housing and making affordable housing available to all citizens. However, we believe that involvement in these programs should be voluntary and oppose any policies that require owners of private housing to surrender their property rights.

The selection of tenants and the terms of the contractual relationship are functions of the property owner or manager, not the government. Allowing certain tenants to have different (government-mandated) provisions included in their leases puts increased financial and administrative burdens on housing providers and may be unfair to other residents.

Federally assisted housing

Federally assisted housing puts people into homes who otherwise would have challenges obtaining safe and decent housing. Providing assistance to low-income earners helps them find housing and helps real estate managers and owners fill vacancies.

IREM Members own and manage over 60% of all federally assisted housing and public housing units in the United States. Under project-based programs, the federal government, through the U.S. Department of Housing and Urban Development (HUD) contracts with private owners to fund the difference between the rent for the unit and 30% of the tenant's income.

IREM closely monitors all legislative and regulatory activity pertaining to federally assisted housing and engages with policymakers to encourage continued funding and clarification of new and existing notices and rules.

Flood insurance

IREM supports the reform and long-term reauthorization of the National Flood Insurance Program (NFIP) to ensure its ongoing sustainability, encouragement of cost-effective private flood insurance options, and long-term reauthorization of NFIP so that it remains a viable option for property owners.

The NFIP is a partnership among federal, state, and local governments that helps mitigate flood risk and provide affordable flood insurance to those who need it most. If the program expires, flood insurance will become more costly or even unavailable. The NFIP provides over 90% of all flood insurance nationwide and almost 100% of coverage for individually owned properties and small to mid-size commercial properties.

Medical and recreational marijuana

An increasing number of states are legalizing marijuana to varying degrees, but it is still illegal at the federal level. This conflict between federal and state laws creates a complicated situation for real estate owners and managers. Property managers should review state and local statutes and regulations to ensure they comply with medical marijuana laws and regulations. Property managers may also utilize best practices to address the issue as they see fit, such as lease addendums, with which smoking and illegal drug use can be prohibited.

IREM invites guidance from the government on how to implement policy and procedures for the properties operated by real estate owners and managers.

Real estate management licensing

IREM believes that the management of residential apartments, condominiums, cooperatives, homeowner's associations office buildings; shopping centers; and all other commercial property by independent contractors involves real estate activities and should require a license under existing state license laws. While IREM acknowledges that the issue of separate real estate management licensing is a state's rights issue and should be left to the discretion of each individual state, IREM is opposed to a separate state mandated license or certification for community association management and urges all forms of real estate management to be under the jurisdiction of existing state real estate broker and agent licensing laws.

In states where state mandated community association manager certification or licensing already exists, IREM supports placing the ongoing regulation and management of the certification or licensing process under the jurisdiction of the state real estate commission.

Rent control

IREM is opposed to government control of rents and supports a property owner's right to establish rents that produce sufficient income to accommodate the basic needs of residents and encourage investment in new construction and existing properties. IREM urges elected officials at all levels of government to oppose rent control as it significantly affects the housing inventory by accelerating the deterioration and loss of existing housing while discouraging the construction of new housing.