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CHIEF EXECUTIVE OFFICER
Carol Christner

The Honorable Max Baer
Pennsylvania Judicial Center
601 Commonwealth Avenue
PO Box 61260
Suite 1500
Harrisburg, PA 17106

Dear Chief Justice Baer:

The Pennsylvania Apartment Association is opposed to any attempt to extend the eviction moratorium. Our industry has been unlawfully/viciously targeted during this global pandemic through several unconstitutional policies and we can no longer bear the burden of residents who simply refuse to pay rent or who refuse to cooperate and apply for rental assistance. Nationally we know that only 11% of those Emergency Rental Assistance funds have been used, leaving landlords scrambling for the last year and a half to pay mortgages, utility bills, repairs, with no revenue through rent or ERAP coming in.

Over the course of the last year and a half our members have been working with our residents to avoid any housing instability. We have developed payment plans, applied for rental assistance, and participated in mediation and diversion efforts throughout the Commonwealth, all while trying to maintain our operations and keep our businesses up and running and our employees working.

We firmly believe that if the federal, state, and local governments work together we can expedite the release of rental assistance, as we have identified a number of challenges with the current programs here in PA. Some of those challenges include those counties that received assistance directly from the federal government, imposed restrictions on our landlords. Those restrictions hindered and, in some cases, prevented the quick turnaround on the allocation of assistance, with many landlords still waiting for funds months after applying. Any proposal to tie rental assistance to evictions, lockouts, or filing in court would inhibit our ability to continue to safely house our residents.

Our companies have been enduring the eviction moratorium and targeted with other damaging policies because there is a belief that we can "take the hit". There is a failure to recognize the financial impact on our industry. For each dollar of rent, 40 percent of it is



spent on our mortgages, 27 percent is reserved for payroll, ongoing maintenance, and insurance & utilities, 14 percent is reserved for property taxes, ten percent for capital expenses and just nine percent going back to owners and investors.

For small landlords, the impact is even more detrimental. These landlords are often relying on the rents of their properties to supplement social security income or to pay the mortgage of the property. We have heard stories of landlords becoming homeless because they can no longer afford to house themselves, while their residents refuse to pay rent.

The majority of our residents want to pay their rent and they want to work with us. There is a small percentage that are simply refusing to make any effort regardless of their ability to pay. We do not want to displace or create future housing instability residents who have shown that they are truly suffering. The reality is that the residents of our properties who are paying, are having to bear the burden of those who are not. In order to maintain operation, in some cases, we have had to raise rents for those who have the ability to pay in order to cover expenses for those who cannot. This also leads to our inability to provide new or refurbished housing. We know that there is a lack of supply. Further imposing harsh policies will only contribute to the problem.

An extension of the eviction moratorium would devastate our industry at a time when we are attempting to rebuild. Please consider the information we have provided before making any permanent decisions. Our industry welcomes the opportunity to work with the General Assembly and resident advocates to find innovative solutions to the housing crisis.

Please reach out to our Vice President of Government Affairs, Leah Sailhamer with any questions or concerns. Ms. Sailhamer can be reached at lsailhamer@paahq.com.

Our Very Best,

Dan Berger President Jonathan Morgan Vice President

South Mag

CC: The Honorable Tom Wolf
The Honorable Jake Corman
The Honorable Jay Costa

The Honorable Kerry Benninghoff The Honorable Joanna McClinton