

Cancel Rent, Reclaim Our Homes

The COVID-19 pandemic has exposed the deep failings of our housing system. Even before the pandemic, 40 million U.S. households had to spend over 30 percent of their incomes on housing. Half a million people live on the streets. As a result of a long history of racist housing policy, low-income people of color suffer the worst instability; Black and Indigenous people face the highest rates of homelessness.



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In early April, nearly **one-third** of apartment renters in the private market couldn't pay their rent on time, because of financial distress. Many jurisdictions have passed needed eviction and foreclosure moratoriums, but renters who cannot pay are left in debt and liable for months of back rent. People who have lost their incomes will not get their missed pay back. Limited-term moratoriums, without additional protections, will defer mass evictions to a later date and not provide long-term housing stability.

In response to COVID-19, the federal government spent \$6 trillion largely bailing out corporations. As people struggle to pay their rent and mortgages, Blackstone, Starwood, and other investment firms are poised to direct huge pools of capital toward buying up distressed real estate assets, evicting people in the process. We saw this before, after the 2008 foreclosure crisis.

We need relief for the millions of people impacted in our communities. We also must ensure public money goes toward building a more equitable and just housing system, not toward funding corporate bailouts. Here is how.

Cancel Rent:

Suspend the obligation for all tenants to pay rent for the duration of the crisis and for a limited period of time afterwards, by passing laws to reduce all rent payments to zero. Rent cancellation matches the scope of the economic catastrophe ordinary households face. It is needed to ensure people can stay in their homes after eviction moratoriums end. Universal rent cancellation immediately and effectively reaches a huge swath of people, including those especially at risk of homelessness: people who are informally employed; lack a bank account or permanent address; or are undocumented.

- ✓ **Cancel All Rent, Late Fees, and Debt Related to Failure to Pay Rent.** Renters should not be obliged to pay back rent after rent cancellation is lifted.
- ✓ **Cover All Renters.** Apply cancellation universally and without discrimination, to all renters in private and publicly supported housing, regardless of ability to prove financial hardship, and regardless of immigration or criminal legal status, or race, gender, income, or disability. Also cover residents in manufactured homes, single-family homes, and residential hotels.
- ✓ **Provide Ample Duration.** Rent cancellation should be in effect both during the declared state of emergency, and even after COVID-19 is under control, for at least 90 days.

- ✓ **Include a Rent Freeze and Rent Control.** After rent cancellation is lifted, local and state governments should maintain a temporary rent freeze, followed by rent controls, to promote housing affordability.
- ✓ **Include an Eviction Moratorium.** To protect public health and prevent retaliation, pair rent cancellation with a broad moratorium on all evictions. Local and state governments should strengthen and extend already existing but partial moratoriums.
- ✓ **Include a Right to Lease Renewal.** This prevents evictions when leases expire.
- ✓ **Suspend Mortgage Payments.** Mortgage payments should be reduced to zero and interest accrual suspended, prioritizing owner-occupied homes, nonprofit affordable housing providers, Project-Based Section 8, HUD housing, LIHTC, and small landlords who are “natural persons,” i.e., not corporations. Make additional relief available to nonprofit and deed-restricted affordable housing providers, who often face tight margins. Require all landlords accessing mortgage forbearance or forgiveness to cancel rent, and provide automatic lease renewal.
- ✓ **Fund Habitability Repairs and Accessibility Conversions.** This includes conversions of vacant units. Give tenants the right to purchase when landlords do not pay for habitability repairs.
- ✓ **Increase Emergency Housing.** Quality and safe emergency housing, with access to healthy food, support services, and health care, must be made available immediately to all unhoused people; any evictees; people released from detention; and tenants forced to leave due to habitability problems, safety concerns, and domestic violence.
- ✓ **Ensure Enforcement and Protect Tenants Against Retaliation.** Establish oversight, enforcement mechanisms, and financial penalties on landlords who violate rent cancellation, try to harass tenants into leaving, or neglect habitability problems to force tenants out. Remedies for tenants must be accessible and not risk COVID exposure.

Reclaim Our Homes:

Prioritize directing public spending toward reclaiming millions of homes as regulated, social housing, placed under democratic community control and public stewardship. Social housing is a public option for housing that is permanently affordable and protected from the private market. It can be owned by public entities or nonprofits, including cooperatives and community land trusts. Government should transfer ownership to public or community control, while compensating landlords through **buy outs, not bailouts**.

- ✓ **Buy Out Homes.** Transfer properties with delinquent mortgages, or which landlords have put up for sale, to public entities that can convert these to social housing, while allowing existing residents to remain in place and providing housing for unhoused people.
 - *Establish Buyout Funds, Bonds, and Taxes:* Finance local capacity to pay for buy outs by issuing municipal bonds; enacting progressive taxation; and channeling investment from public pension funds. The Federal Reserve should purchase and guarantee buyout bonds.
 - *Enact COVID-19 Opportunity to Purchase:* Give public entities, nonprofits, and tenants the first right of purchase over all sales of all property and delinquent mortgage debt that occur during the emergency and recovery period, to stall corporate landlords from gobbling these up.
 - *Enact Strong Rent Control and Withhold Relief to Corporate Landlords:* Doing so helps bring them to the bargaining table for buy outs.
 - *Use Eminent Domain:* This offers a means of implementing buy outs while providing distressed landlords compensation. Eminent domain can target AirBnBs, luxury housing, and corporate landlords.
 - *Enact and Strengthen Community Reinvestment Acts:* Obligate banks to sell foreclosed property to local residents, community land trusts, or co-ops, or for conversion to social housing.
 - *Require Permanent Affordability and Right to Remain:* All bought-out properties must keep residents in place at permanently affordable rents.
 - *Affirmatively Further Fair Housing:* Ensure buy-out programs increase quality social housing for low-income people in all communities.
 - *Offer Fair Prices:* Purchase prices should reflect reduced property values under pandemic conditions and the ensuing economic fallout, as well as properties’ state of repair.

- ✓ **Buy Out Banks.** Instead of bailing out for-profit banks that falter due to delinquent mortgages, the government should buy out these banks and convert them to public or cooperative banks.
 - *Require Public Transfer of Distressed Mortgages:* Public banks, and any banks receiving public bailout funds, that are in a position to foreclose on properties must instead sell or transfer these assets to nonprofit and public entities that can oversee their conversion to social *housing, while keeping residents in place.*
 - *Expand Public and Cooperative Banking:* This would finance social housing, and weaken the link between mortgage lending and Wall Street.
- ✓ **No Bail Outs For Wall Street.** The government should allow investors in speculative activities to accept their losses. To prevent the need for future bailouts, the federal government must protect housing from the financial marketplace by increasing regulatory oversight, strengthening the separation between investment and commercial banking, and outlawing rent securitization.
- ✓ **Expand Permanent Tenant Protections.** This includes right to counsel, just cause, and low-fault eviction protections. Establish a Right to Tenant Unions, recognizing the right of tenant unions to form and bargain collectively. Require landlords to negotiate with tenant unions.
- ✓ **Expand Social and Public Housing.** Build over 12 million social units in the next 10 years, to meet the needs of cost-burdened renters, and to house the unhoused. Pass a Right to Accessible Housing, requiring emergency action to shelter unhoused people, fund habitability repairs, and ensure accessibility by mandating upgrades without displacement.

What is the legal basis for rent cancellation? Who can cancel the rent?

Rent cancellation is a valid, constitutional exercise of the “police power” of government, to take action to protect the health and safety of citizens. The ability of government to adopt laws that affect private property rights and contracts is well-established, and governmental power is strongest when it acts to safeguard the public. Certain types of laws can be considered a “taking” requiring compensation to property owners—but a temporary rent cancellation does not fall into this category (*Penn Central Transportation Co. v. New York City*, decided by the U.S. Supreme Court in 1978, made clear that regulatory action that only minimally affects the overall value of property cannot constitute a taking). State and local powers will vary based on the law of different jurisdictions, but in general, government has broad legal authority to cancel rents to preserve health and safety during this unprecedented emergency.

Where is rent cancellation being implemented?

Federal legislation has been introduced to cancel rent for all renters, forgive mortgages for owner-occupied buildings, and create a national Affordable Housing Acquisition Fund to buy out properties and place them under nonprofit, community, and public control. A state-level bill to cancel rent and mortgages has been introduced in [New York](#). [Denver](#)’s City Council, [Seattle](#)’s City Council, and [San Francisco](#)’s Board of Supervisors passed proclamations or resolutions urging state and federal governments to cancel rent and mortgage payments.

As part of its eviction moratorium, [Oakland](#) established an indefinite payback period for rent that was unpaid due to COVID-related income loss. Even after the moratorium, tenants **cannot be evicted** for failure to pay this back rent.

Our Homes, Our Health is a collaborative initiative of the National Housing Justice Grassroots Table, including the Center for Popular Democracy, Partnership for Working Families, People’s Action, and the Right to the City Alliance. Powered by PolicyLink with support from the Alliance for Housing Justice.

www.ourhomesourhealth.org