

The Covid-19 Rent Crisis Is Here

As unemployment surges, calls to cancel rent are growing louder. In New York, thousands are planning a rent strike for May, while landlords ask for a federal bailout.



Tenants in New York City, and across the country, are calling for rent strikes to ease the financial hardships of the coronavirus pandemic. PHOTOGRAPH: TED S. WARREN/AP

CRISTINA JEFFERS LIVES in an apartment complex in Elmhurst, Queens, at the center of the coronavirus crisis. As friends and neighbors have fallen ill around her, Jeffers has been lucky to

stay healthy. But work abruptly evaporated for the single mother and housekeeper. Only two families on her roster of clients are paying her during New York's shelter-in-place. "It's not enough to survive," she says. The city is on pause, but its rent collectors are not.

The Covid-19 pandemic has yanked the bottom out of the economy, and the working class is plunging into the debt hole first. In 2019, most Americans lacked the savings to cover an emergency. Now, over 26.5 million people have filed for unemployment in the United States since mid-March, and countless more have been unable to file for benefits as overwhelmed state unemployment agencies cannot keep up with demand. (A recent survey from the Economic Policy Institute estimates between 8.9 million and 13.9 million people who should qualify have not gained access to needed benefits.) Meanwhile, countless others have been furloughed, have had their hourly work reduced, or have lost income as they instead take care of sick family or homebound children. Some economists are predicting unemployment rates rivaling or even exceeding Great Depression figures. The \$2.2 trillion coronavirus relief package offsetting the enormous, unexpected financial catastrophe includes considerable support for homeowners, allowing people with government-backed mortgages to skip payments for up to a year, instead adding them to the mortgage balance. This necessary economic balm has no counterpart for renters, though. Payments are still due. The emergency is here.

"When the coronavirus outbreak got bad in New York, the fallout in our community was also pretty instant," Harlem-based teacher Shondrea Thornton says. Both of her roommates lost their jobs. Like most Americans, their savings cannot cover housing costs. "We're a very working-class building," she says. "People go to work to pay their bills. If they can't work, or have an unexpectedly high bill—a medical bill or a mortuary bill, as people are experiencing—the whole thing comes crumbling down."

Both Jeffers and Thornton are participants in the largest rent strike in the United States in decades. Financially struggling tenants are organizing to call for rent relief across the country, with groups from Seattle to Washington, DC, striking this spring. New York, hit hardest by the virus, is now also the epicenter of a growing tenants' rights movement. Rent strikes are planned at apartment buildings across the city for May, asking New York governor Andrew Cuomo to cancel rent and suspend mortgage payments for four months or until the pandemic subsides. The housing rights coalition Housing Justice for All says at least 57 buildings in New York are participating in the strike, with 1,800 tenants between them, and estimates that an additional 9,000 individuals who cannot pay will take part in the collective action.

Agustin Pérez, is joining 20 other neighbors in the action, working with the nonprofit Catholic Migration Services. Pérez recently lost his job due to Covid-19, and with two young children and a wife on maternity leave, he is doing everything he can to keep his family healthy and safe. He says that even the people in his Jackson Heights, Queens building who aren't deliberately joining the movement will indirectly take part, as they have no income. "They do not have the resources," he tells WIRED through a Spanish interpreter. "One way or another, they will participate."

"We haven't seen these kinds of coordinated building-wide rent strikes in two generations," says Susanna Blankley, an organizer for housing rights group Right to Counsel NY. "Because the state has offered no good solutions, people are organizing."

To prevent people from losing their homes while shelter-in-place orders remain, many cities and states have issued eviction moratoria, including New York state. "We were initially encouraged that states and localities were taking action to try and keep people housed amid the pandemic," Alieza Durana, a strategist at Princeton's Eviction Lab, says. But the rickety nature of these Band-Aid measures soon became apparent.

"There are some pretty substantial gaps in terms of who is covered, where they're covered, under what conditions," Durana says. For example, while losing a job can make people eligible

for rental assistance programs, these patchwork relief options can be hard to access and insufficient at covering costs. “The backlog is enormous in some states.”

Moreover, these measures are a small comfort for the newly unemployed, who often do not know how they are going to pay a single month’s rent, let alone catch up on missed payments. “The idea that families would somehow have saved enough to anticipate a global pandemic that no one knew was coming is, frankly, ridiculous,” Durana says.

And yet: management at both Jeffers’ and Thorntons’ buildings have already sent letters to tenants explaining that they are expected to pay up. Jeffers worries about what will happen when the moratorium lifts on June 20, and landlords demand back pay. “Court is going to be filled,” she says.

While the concept of a strike is often framed as radical, the action is essentially pragmatic, especially for tenants who feel they have no other recourse. A rent strike is a bid to gain leverage over landlords through collective bargaining. Sometimes tenants strike to push for building repairs or to discourage planned rent increases. In this case, the ultimate goal is to shape government policy. If a critical mass of tenants refuse to pay, advocates think it will push landlords, particularly powerful real estate companies, to use their lobbying weight to advocate for housing bailouts. It’s a tactic to shift the financial burden away from individuals and towards institutions. It’s a risky one—people who participate in the strike could be evicted after the moratorium lifts—but the agitators are hoping the united front and moral imperative are persuasive.

Rent strikes are already happening at a commercial level, although they are not always being framed as such. The Cheesecake Factory, for example, sent a letter to the landlords for its franchise locations explaining that it was not paying its rent because of the “extraordinary events” of the pandemic. This is not necessarily because The Cheesecake Factory’s leadership has embraced a leftist ideology; it is more probably because not paying rent is simply the most rational option when there’s no money in the bank. (The Cheesecake Factory declined to comment.)

Several tenants WIRED interviewed described how they'd first attempted to negotiate for lowered rents before choosing to strike. At Thornton's building, which is owned by the management firm Guardian Realty, the tenants say they originally asked their management for a temporary 50 percent rent reduction during the shelter-in-place order. "We were completely shut down," Thornton says. Instead, management informed tenants that they were expected to continue full payments on time. With so many tenants unable to do so, around 20 of the 47 units in the building decided to participate in a formal rent strike.

In Crown Heights, Brooklyn, writer and editor Maxwell Paparella and his neighbors also attempted to negotiate a rent discount after realizing a substantial portion of the people in their 36-unit mid-rise building would struggle to make payments this spring. "That proposal was rejected," Paparella says. Two-thirds of the units have decided to participate in a strike action, and delivered a notice to management in April. Many tenants simply do not have the funds to pay. Others are withholding rent in solidarity. The building's landlord, Isaac Schwartz, controls a hefty real estate portfolio. "We believe he can shoulder at least some of the burden of this crisis," Paparella says. (Schwartz and Guardian Realty did not respond to messages seeking comment.)

Graduate students at Columbia University are planning to strike for rent relief from the prestigious institution following similar logic—the school has a \$10.9 billion endowment, and is better equipped to deal with any potential financial fallout from withheld rent than cash-strapped academics. "They have a lot more money on hand than a traditional landlord," law student Gus Leinbach says. "They're in an easier situation to cancel rent for three months for us."

Perhaps unsurprisingly, rent strikes are not popular among landlords. "When you're talking about rent strikes, you're talking about actually hurting your fellow tenants as much, if not more than landlords themselves," says Jay Martin, the executive director of the Community Housing Improvement Program, an advocacy group representing 4,000 landlords. Without bailouts for landlords as well as tenants, Martin envisions a New York with banks as the largest landlords, mercilessly seizing buildings across boroughs and tossing out delinquent renters and owners alike.

Martin advocates instead for large-scale federal bailouts. He likes the idea of a generous voucher program for people who can prove they have experienced Covid-19-related job loss or income reduction that would make those eligible “completely financially secure.” Colin P. Dunn, the senior communications director for the National Multifamily Housing Council, also favors expanded federal rental assistance. “The federal government is the only entity that has the resources to meet these challenges,” he says.

“I think we can all agree if the federal government decided to come bail out tenants, that would be the ideal outcome here,” New York state senator Michael Gianaris says. On a federal level, Rep. Ilhan Omar of Minnesota has introduced a bill to cancel rent and mortgage payments that is gaining popularity among progressive leaders like Rep. Alexandria Ocasio-Cortez of New York, the bill's co-sponsor, and the general public. But will it pass? Gianaris is doubtful about timely nationwide fixes: “This administration does not give me great hope that that solution is in the offing.”

In New York, Gianaris has sponsored a bill to suspend rent payments for residential tenants and some small business tenants, as well as qualifying mortgage payments, to provide relief within the state. “Typically in crises like this, the federal government eventually jumps in and rescues people and industries at the top of the economic ladder who need help the least,” he says. “What I'm trying to do is begin the effort with the bottom rung of the ladder, those who live paycheck-to-paycheck.”

Some housing advocates say Gianaris' bill doesn't go far enough. “It's well-intentioned and a step in the right direction, but it doesn't really represent what we want,” Blankley says—it requires proof of hardship, whereas Blankley and other activists prefer universal relief. “Anything that puts a burden on tenants can open the door to landlord harassment and retaliation.” Right to Counsel NY and other advocacy groups are more focused on persuading Cuomo to issue an executive order to suspend rent. (Gianaris has also asked Cuomo for this type of order, noting that it would be quicker than getting his bill passed.) The governor has not given any indication he'll do so.

The circumstances around rent payment are catastrophic enough that both sides of the debate are pushing for massive government bailouts—with landlord advocates favoring bailouts that put the onus of rent payment on tenants, and striking tenants asking for bailouts that relieve them of that responsibility. For Shondrea Thornton, it's proof that this shouldn't be seen as a clash between two struggling groups, but an indication of a much larger structural failure that needs to be addressed. "If you are a mom-and-pop landlord, so to speak, or if you are a small business, you should be just as furious that the federal government isn't giving you relief as we are," she says. "We need cross-class solidarity."