



**MULTIFAMILY NW**  
The Association Promoting Quality Rental Housing

Oregon State Legislature  
900 Court Street NE  
Salem, Oregon 97301

March 15, 2020

**RE: RECOMMENDED APPROACH TO MITIGATE IMPACTS FROM COVID-19 TO AT RISK RESIDENTS AND HOUSING PROVIDERS**

Dear Governor Brown, President Courtney, Speaker Kotek and Members of the Legislature;

These are unprecedented times and as providers of rental housing for over 250,000 Oregonians, we understand that there is a need to ensure Oregonians remain housed. We also understand that there are many moving parts to this situation, and we know you are doing your best to find solutions in the midst of the uncertainty and duration of necessary quarantine.

As we noted in our prior letter offering partnership in addressing the spread of this virus, apartment housing providers in Oregon are preparing for potential impacts to their communities. They are actively addressing employee and resident’s concerns and doing all they can to stop the spread of the virus. Rental housing providers take seriously the responsibility to ensure our residents are safe and secure. The unique nature of the rental housing industry puts apartment operators and employees on the front lines of responding to the COVID- 19 outbreak in communities across the nation.

Insight from the Oregon Office of Economic Analysis shows the vast majority of Oregon’s workforce cannot work remotely. Many Oregonians are expected to suffer a loss of income as a result of the COVID-19 outbreak, which could inhibit their ability to pay their rent and meet other financial obligations. The 2,500 members of Multifamily NW strongly support providing direct rental assistance to families and individuals who suffer a loss of income during the crisis. That rental assistance should apply to all renters in Oregon. In addition, we also request necessary relief to rental property owners and small business owners who suffer similar negative consequences. This is key to preserving safe and secure housing both during and following this crisis.

We believe that the following housing and tax assistance proposals should be considered at a state-wide level and as such, will provide critical lifelines for renters and rental housing operators.

**HOUSING ASSISTANCE MEASURES**

**Emergency Rental Assistance/Emergency Assistance Fund:**

As Oregonian families face tremendous financial pressure as a result of reduced or lost income due to COVID-19, Oregon should establish an emergency assistance fund to prevent the unnecessary loss of housing for those Americans facing hardships. Allocating short-term financial assistance to renter households enables individuals and families to overcome temporary financial challenges that would otherwise result in delinquencies and ultimately loss of their housing. Efforts to divert emergency funds to legal assistance should be resisted as they fail to address the underlying financial conditions that contributed to the resident’s housing emergency.

**Mortgage and Financial Forbearance:**

Most rental properties are owned by individuals and small businesses that have financial obligations, including mortgages, utilities, payroll, insurance and taxes. Many Oregonians are likely to suffer a loss of income as a result of the COVID-19 outbreak, which will in turn harm their ability to fulfill their rent or mortgage obligations. The ability of rental property owners to satisfy their own financial obligations will also be impacted. Therefore, Multifamily NW Members believe relief should also be provided to them during this time of crisis. Multifamily

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NW strongly suggests that any measure that allows for mortgage or other financial obligation (tax, insurance, etc.) forbearance, be extended to rental property owners where a loss of rental income could throw the underlying mortgage into default, lead to tax liens being placed or other negative legal actions and ultimately put the property at the risk of foreclosure and its residents at risk of losing their homes.

**Eviction Prevention Measures:**

Oregon’s elected officials should recognize that evictions are governed by complicated state and local laws and regulations. A one-size-fits-all approach is problematic, so the appropriate state role in evictions should focus on leveraging state dollars to help keep people in homes while ensuring housing providers can properly manage their properties. Any assistance should be well-tailored and not apply blanket provisions that would interrupt proceedings filed prior to or are not a material result of the COVID-19 outbreak.

**Student Housing Relief:**

Colleges and universities across the nation are temporarily shutting down student housing, ordering students not to return to campus from Spring Break and moving their educational coursework online in response to the outbreak. Private student housing operators work side-by-side with colleges and universities to house their student populations and are an integral part of campus life. Student housing leases operate under a different model than other multifamily housing leases, which pose significant financial challenges if prolonged absences at college campuses are ordered. In addition, possible construction delays at ongoing projects could threaten the opening or viability of entire student housing communities. These challenges will, much like other critical industries, require financial relief.

Additionally, with students no longer able to be housed on university campuses, many are returning home. These unplanned returns to family homes may add an additional unplanned financial burden to households impacted by COVID-19.

**TAX ASSISTANCE MEASURES:**

**Payroll Tax Cut:**

Oregon could provide taxpayers with extra funds to absorb increased cuts resulting from COVID-19 by reducing payroll taxes. Specifically, Oregon could reduce the employee side of the payroll tax and self employment tax.

**Unemployment Compensation Exclusion:**

Oregon could help stretch unemployment income for individuals who experience job loss as a result of COVID-19. Under current law, unemployment compensation is taxable income. Oregon could exclude such income from tax for 2020.

**Estimated Tax Payments:**

Oregon could help ease cash-flow challenges that taxpayers who own real estate partnerships or corporations may face by reducing 2020 quarterly estimated tax payments. Under current law, sole proprietors, partners and S corporation shareholders must make quarterly estimated tax payments if they expect to owe \$1,000 or more in tax when a return is filed. Corporations must make estimated payments if they expect to owe more than \$500 when a return is filed. If taxpayers do not make sufficient estimate payments, a penalty is assessed. The penalty is waived if taxpayers paid 90 percent of tax for the current year or 100 percent of last year’s liability (110 percent for taxpayers with adjusted gross income of over \$150,000). The proposal would waive penalties for taxpayers owing more than \$1,000 (sole proprietors, partners, and S corporations) or \$500 (corporations) if they paid at least 90 percent of last year’s liability in tax.

**Net Operating Loss Carryback:**

Additional relief for housing providers and businesses impacted by COVID-19 could be provided by allowing net operating losses (NOLs) generated in 2020 to be carried back for three years.

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**Business Credit for Quarantined and Self-Isolated Employees or Those Taking Care of Dependents:**

This proposal would provide a wage credit for employers who continue to pay employees impacted by COVID-19. The COVID-19 outbreak may require employees to be quarantined or employers to close facilities on a temporary basis. Other employees may have to take time off for work to care for sick dependents or children whose schools have closed. Affected employees may have insufficient sick time to allow them to remain in pay status. Paying employees who cannot work in a closed facility or who have exhausted sick leave benefits could be a costly expense for employers. This proposal would provide a wage credit for up to \$1,500 in weekly wages for employers who continue to pay eligible employees.

**Moratorium on Enforcement of New Housing Laws**

In an effort to curb the spread of COVID-19, tenant and housing provider trainings have been postponed until further notice by housing authorities across Oregon. This includes trainings for the housing laws implemented by the City of Portland on March 1. These rules are highly complex and greatly increase liability for housing providers. Without proper guidance for tenants or housing providers on these rules, the City of Portland should impose a moratorium on their implementation.

**COVID-19 Will Have a Broad Impact to Oregon’s Workers and Economy**

It is clear that the enormity of the challenge we face is evolving on a daily, or even hourly basis. As the problems mount, and as our state and nation continues to prepare for and respond to the COVID-19 outbreak, please know that the 2,500 members of Multifamily NW are a partner to you and your efforts to deal with this crisis. Please don’t hesitate to reach out to me with any questions or concerns.

Sincerely,

*Deborah Imse*

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