

Oregon State Legislature 900 Court Street NE Salem, Oregon 97301

March 22, 2020

RE: RECOMMENDED IMMEDIATE APPROACH TO HOUSING PRESERVATION

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

The battle against COVID – 19 has presented housing providers with an unprecedented challenge to property owners providing a total of 602,000 homes to families and individual Oregonians that are vital to sheltering people in a manner that combats the spread of the virus.

With job losses in Oregon related to the COVID -19 virus becoming far more extensive than anyone expected, the perspective of the Multifamily industry now operates under an Emergency Management footing. As providers of rental housing for over 250,000 Oregon families and individual Oregonians, Multifamily NW understands the immediate need to ensure people remain housed. We must keep people out of hospitals and in their homes per the shelter-in-place directives that are rapidly becoming the norm. We also understand that there are many moving parts to this situation, and we know you are doing your best to find solutions as quickly as possible in the midst of an emergency of uncertain duration.

A typical multifamily property, whether conventional or affordable, typically has no more than a fraction of a month of operating cash available at any time. Housing providers generally do not have cash reserves at all, especially those owned by smaller providers, are highly vulnerable to immediate service interruptions.

We have evaluated many alternatives, but wish to put forth four essential recommendations:

Designate Property Management Operations as "Essential"

We recommend that Oregon keep in line with other states such as California and New York and follow the Homeland Security Guidance on essential services designating property management functions as essential businesses. Staff must be present to respond to emergencies such as fires, water leaks and floods, utility interruptions, monitor alarm systems, garbage and recycling services, facilitate immediate property maintenance including maintenance of critical systems such as elevators and life safety systems. Resident health and wellbeing will be at risk should lack of incoming rent prevent management companies from making timely and essential payroll disbursements to employees.

Our dedicated employees form the front line for many of our most vulnerable residents and for services that will be even more critical at this time:

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- Security Considerations providers can change locks, coordinate with police, ensure that common
 areas are properly cleaned to prevent the spread of the virus, and perhaps most importantly, aid
 first responders in <u>de-escalating tenant-to-tenant conflicts</u>.
- Communication providers serve as the information hub for property and have the ability to communicate with the full resident population directly, particularly as it relates to COVID – 19.
- Social Service providers are often the only ones to know the status of sick and vulnerable residents at their properties, and often see to it that these residents are visited.
- Access They coordinate package delivery, particularly for time sensitive, critical medicines and food.

2. Establish a Statewide Emergency Rental Assistance Program

Oregon should establish an Emergency Rental Assistance fund in the amount of \$348,275,000 per month. Data from the Oregon Office of Economic Analysis shows the vast majority of Oregon's workforce cannot work remotely. This will inhibit their ability to pay their rent timely and meet their other financial obligations. The best way to serve concerned Oregon renters is to expedite the issuance of sufficient short-term rental assistance. Assistance should not be limited to just very low-income renters. Depending on the duration of the emergency, there will be many households at the Area Median Income and above who will be negatively impacted. The aid should be available statewide, as the problem could be even more acute in smaller cities and towns throughout Oregon where there are fewer employers and limited opportunities for residents to find other employment, even after the current crisis is ameliorated. (see attached cost spreadsheet).

3. Deferral of Mortgage Payments and Debt Relief

Multifamily NW strongly urges that any measure allowing for mortgage or other financial obligation (tax, insurance, utilitie etc.) forbearance, be extended to rental property owners of all sizes where a loss of rental income will very likely cause an interruption to critical services to residents and place the financial stability of many rental properties at risk. One such plan would be for state chartered lenders to grant, on request of the borrower, a 120 day moratorium on debt service payments with a review in 90 days at which time an extension can be considered if the crisis has not eased.

4. Funding of Payroll for Essential Management Employees

If adequate Emergency Rent Assistance is not forthcoming in the amounts provided in the QCEW data attached, \$40 million per month in funding for direct Essential Management Employees should be made available promptly, no later than mid-April to prevent widespread layoffs. (See attachment) Essential Personnel on Management Teams must remain intact because highly skilled teams are needed to guide emergency management of the properties. Any furloughing of these employees will immediately place resident health and well-being at risk. (See attachment for essential services functions.)

We are grateful to our leaders for their efforts to tackle the enormity of our State's rapidly evolving challenges. 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 partners with you and your efforts to deal with this crisis. Please don't hesitate to contact me at any time with any questions. We stand ready to help in any way possible.

Sincerely,

Deborah Imse Executive Director

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