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Joint Special Committee on Coronavirus Response
Oregon Legislature

March 23, 2020

Dear Senators and Representatives,

I am writing to provide input regarding Oregon rental housing issues and our response to the COVID-19 crisis. I am an independent property owner with a small number of residential rental units. These units provide most of the income for my family.

During this time, like you, I want to find ways to keep families from being dislocated. Short-term dislocations would cause catastrophic harm to both families and community health and the medium-term recovery will be improved if we keep dislocation to a minimum. Together, we need to find a way for families and individuals to remain in their homes.

As you consider specific policy approaches toward what I hope is our shared goal, I ask you to consider the following:

- No-eviction statutes and orders need to be combined with a funding approach so that rents are actually paid (either by the government or by renters) at some point in the near future. For good reason, no other industry is being asked to provide services without payment, even during this emergency. For example, people need food, but grocery stores are not required by law to allow shoppers to walk out without immediate payment. The existing no eviction order, which I support in the short-term, will quickly force rental services to be delivered without payment. It obviously needs to be combined with either financial support directly to property owners who are not collecting rent, or significant support to renters.
- Possible sources of support may include disaster relief funding for property owners, direct unemployment support to renters, or disaster relief payments to renters.
- If the no-eviction order remains in place for more than a month or two, I support direct payments to property owners for lost rents. It is unfortunate that a few renters, if given the chance, will exploit the no-eviction laws to not pay rent no matter their situation. These situations will quickly get out of hand as more and more renters understand that paying rent is optional. If, instead, the government directly supports lost rent payments to property owners through some type of stabilization fund, then the government can also create a mechanism to adjudicate and either relive renters of responsibility or compel payment (now to the government) as appropriate.

- Please consider that property owners have expenses that go well beyond financing and mortgages. These include property taxes, management fees, maintenance, utilities, trash service, and various city service fees. These payments are required to provide a safe and stable living space and help the community and government economics. Without cash flow, these payments will be late and/or reduced with knock-on impacts to the government resources, the economy, and rental housing quality.
- Property owners will be more help in coming out of the coming economic downturn if they have available cash to do normal long-term upgrades and maintenance. As an example, this summer I have planned to (1) complete a major window and siding replacement on a duplex, (2) perform a major landscape upgrade on a four-plex, and (3) install solar panels on 1-2 units. A significant cash shortfall will delay or eliminate these projects. The ripple effects into the construction industry and the quality of rental housing are obvious.

Committee members, to quickly counteract the potential impact of this emergency I agree with the Governor's recent no-eviction order. It is a sensible short-term approach to prevent tremendous family and public health harm while other measures are put in place. However, the secondary associated impacts related to the emergency order are very close at hand and now need to be managed. I encourage you to consider how to support the complete economic system as you plot the next steps for our state and community.

Finally, thank you very much for your service to our state. I really appreciate your extra efforts during this challenging time.

Sincerely,

Grant Pease