

Dear Legislature:

We as a small business landlord (3 single family housing rentals) support direct rent assistance payments to landlords for the following reasons:

1. Disaster relief for the Covid-19 crisis needs to be for both tenants and landlords to ensure that renters retain their housing and landlords can continue to operate. Direct payments to landlords will keep the supply chain functioning, including mortgages, insurance, maintenance, etc. This isn't just about making sure that landlords get their money. Housing stability for our communities should be front and center during this crisis. Landlords supply essential housing and shelter for our communities.

2. A moratorium on mortgage payments provides some relief, but it doesn't provide income. Some landlords depend on their tenants' rent payments for their main source of income for food, medicine and utilities; we don't want to create a new category of people who need help.

3. Rental properties require maintenance. If landlords don't have the money to pay for needed maintenance due to the crisis, they may face punitive damage awards for failure to maintain the unit.

4. As our government officials pour money into the economy to mitigate the short- and long-term impacts of this crisis, part of what needs to happen is for people to keep buying goods and services to lubricate the economy and minimize the damage we are facing. Direct payments to landlords for the tenants who need help will be a vital way to infuse funds in to the local economies.

5. Not all tenants need help. While many have been temporarily suspended from working, many are working from home, or have resources available to help them weather the storm. There needs to be some sort of needs test to determine whether the inability to pay rent is related to Covid-19 or not. Tenants should have to provide some sort of documentation from their employer that there is no work available, and that unemployment benefits for the household do not meet their needs for food, shelter and utilities. Gathering this data could also provide much needed information to the state regarding impacted communities. This could help inform future planning for unexpected crises that will undoubtedly come our way.

Housing assistance money sent directly to renters does not guarantee that money will be used for paying rent or partial rent to their landlord. We know many will take advantage of not having to pay rent during this period. Therefore many will ignore their responsibility to full fill their debt to the landlord with no way for the landlord to collect this in the future.

6. Other pressing issues for some landlords are current pending notices for bad behavior by tenants, or termination notices issued prior to this time. Can these evictions still be processed and executed, or do landlords have to sit tight while the tenant continues to damage the property, disturb the quiet enjoyment of the neighbors, and even commit criminal acts while being protected from eviction? Also, under current law, once a notice of termination has expired, if the landlord accepts rent for any period beyond the termination date, they waive their right to terminate on that notice. With the implementation of SB 608 and the subsequent restrictions on termination of tenancy after the first year, a landlord could get into a real bind.

Can rules be temporarily suspended allowing landlords to accept rent, but still keep their notice valid?

These and other issues will deeply impact housing providers throughout the state and our nation, leading to possibly devastating impacts to rental owners and the people we house. We urge you to consider the unintended consequences of your decisions now and in the coming days and find a middle ground that takes these concerns into account.

Respectfully,

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