

Oregon Legislature
Re: Covid 19 Impact on Rental Housing

March 23, 2020

Dear Legislators,

My husband and I are small landlords in Portland Oregon. We are semi-retired, and we own three rental properties, which is our primary business.

We are concerned that the executive order addendum recently passed does not define what is meant by “substantial loss of income” nor does it offer means by which a landlord may verify a claim.

Adding to this confusion, the city of Portland has published a sample letter for tenants’ potential use in the event that they wish to defer rental payments, in which the term “loss of income” is repeatedly used <https://beta.portland.gov/sites/default/files/2020-03/eviction-updates-for-multnomah-county-march-20-2020.pdf>, rather than “substantial loss of income”, the term of the actual executive order addendum.

We are concerned that this confusion may lead to situations in which renters who have some loss of income, but not a “substantial” loss of income, may make use of this law, leaving us with little, or even potentially no income ourselves.

If a tenant were to make use of this law while working from home for instance, or if they have suffered a reduction, but not a “substantial” loss of income, landlords may also be put in a position where they are not able to make mortgage payments on properties, or do needed maintenance.

There is also the question of taxes. Would Multnomah County allow deferral of all taxes on a property if a landlord is not receiving income from a tenant there? If not, we would have a substantial tax burden.

Then there is the question of collecting payment for deferred rent. It is conceivable that many will suffer reductions in income in the upcoming months, and that this may last some time. If a tenant does not pay any rent for the duration of a lease, and then moves out, what recourse do we have as landlords to obtain renumeration? Small claims in Multnomah County are capped at \$10,000. It is conceivable that missed rents could exceed that. The cost of legal help could wipe out a goodly portion of the amounts recovered.

While we personally would never evict tenants who are having serious financial problems during a national crisis, we can understand that protective legislation might be necessary. We would hope however, that laws would not be left so vague as to cause legal confusion, or single out one group of citizens and small business owners to be excluded from protective legislation and assistance.

Additionally, it would be more equitable if tenants paid some amount of their rent, based on the degree of their loss of income, rather than potentially leaving landlords such as ourselves with the possibility of a catastrophic reduction in income.

Unfortunately, the legal and financial uncertainties of this order, and the potential for it to do us financial harm, as well as create added stress in our lives, is causing us to seriously consider removing one of our properties from the market until these matters are clarified. We hope that won’t be necessary.

Respectfully,

Lisa Scaglione and Paul Thacker
Portland, Oregon