



June 05, 2020

Senator Fagan and committee members, my name is Deborah Imse and I am Executive Director for Multifamily NW. Our Association's members collectively own or manage a quarter of a million units of housing in the state of Oregon. Our members range from seniors who have one or two rentals as part of their retirement plan, to much larger businesses who employ hundreds of hard-working Oregonians.

I am here as a representative of the housing provider industry and at the heart of my testimony is keeping Oregonians housed through this crisis and beyond.

I am here to stress the urgent need for emergency rental assistance across our State. I also want to emphasize the widespread economic benefits of its prompt deployment.

As our residents continue to experience the impacts of job and income loss, short-term rental assistance will be a critical lifeline in the coming months during a sustained financial crisis. Counties are reopening for business, but the trajectory of recovery is long. The state's economist forecasts that employment recovery will take years.

In May, multifamily NW collaborated with housing authorities and nonprofits to collect over 500 surveys of conventional and affordable rental housing, representing nearly 100,000 units across Oregon. We found that on average, 11.8% of Oregon households could not pay their rent due to loss of income. Digging into that data, we also found that the impacts of COVID-19 are very clearly regressive.

- Newer, high end apartments showed only 5.9% nonpayment
- Affordable Tax Credit Housing was at the statewide average of 11.8% nonpayment
- **Unsubsidized** 30-year or older "naturally affordable" housing was at nearly 18% nonpayment



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

- Even more concerning, single-family detached style rentals without subsidy experienced 26% nonpayment. This housing generally representing the “mom and pops” of the industry

We will continue to collect this data to share with policy makers in the coming months.

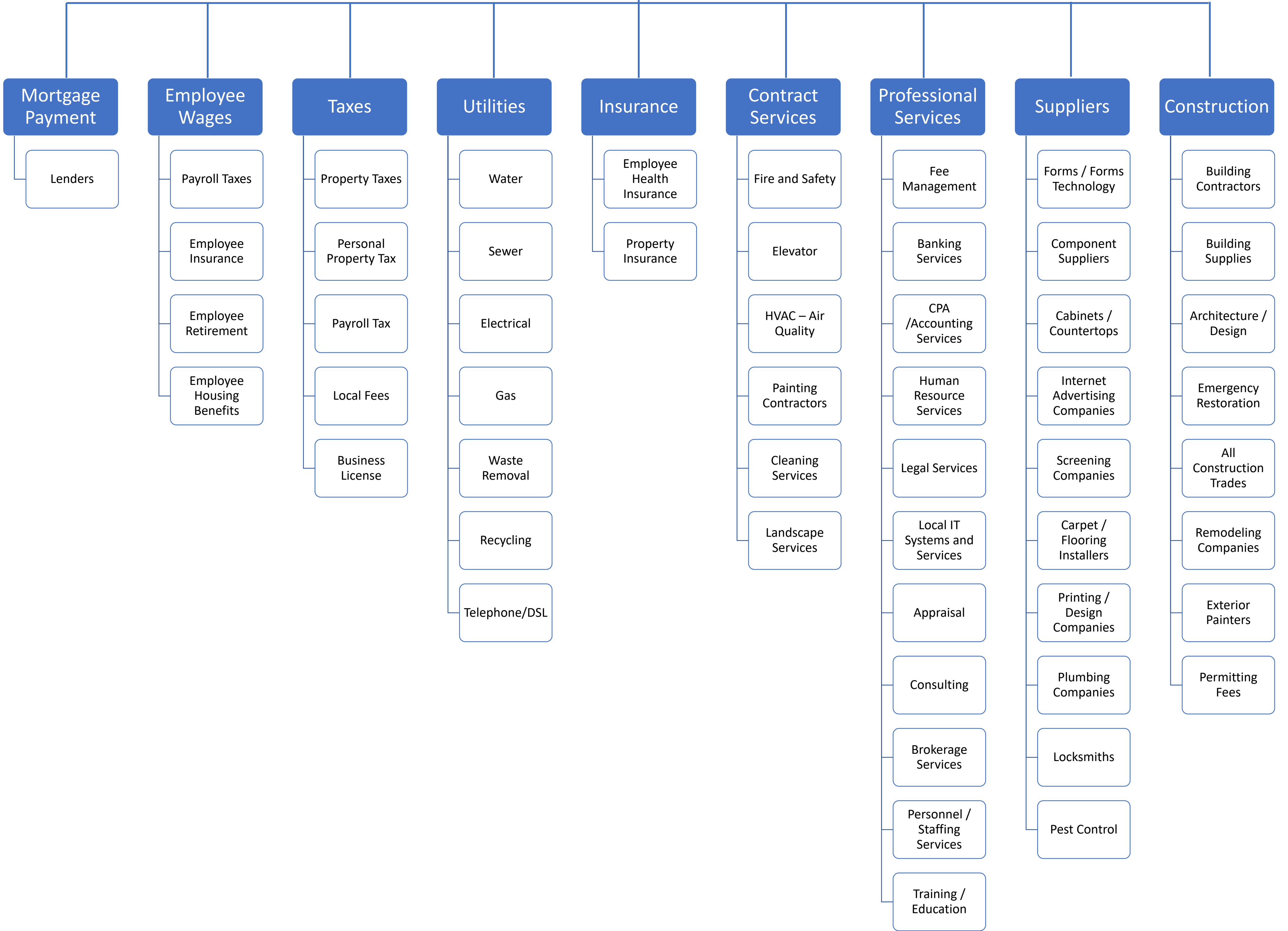
With respect to the economic role of rent dollars, I have provided a couple of charts that provide insight into rent dollar distribution and what happens when the housing provider does not get some or all of the rent. In addition to the mortgage payment the provider must pay employee wages, taxes, utilities, insurance, contract services, professional services, and suppliers. I have also provided a chart which shows a decision tree on what choices the housing provider would have to make if less than full rent is received. As you can see, in these circumstances there are no easy choices.

I also want to take this time to address the looming cliff when the Governor’s state of emergency expires on July 6th. In the absence of an existing plan to address the end of the executive order, expanded access to rental assistance will be critical to stabilizing housing when the moratorium on evictions for nonpayment is lifted across the state.

I hope that the committee will prioritize an expansion of short-term rental assistance to meet the needs of Oregon’s housing providers and renters.

Chair Fagan and committee members, thank you for inviting me to share what our members and residents are experiencing. I am happy to respond to any questions at this time.

Rent



Priority of Services	100% Rent Collection	60-70% Rent Collection	Rent Strike
Outcomes	Business as usual, unfortunately this is not the new reality.	Essential services still provided, some buffer for first responders, and coordination framework in place for Incident Command System.	All burden falls on first responders. No staff to leverage efforts of first responders and Incident Command System.
Key Personnel Supervision Site Management Maintenance Security/Courtesy Patrol	Key personnel in place Able to help vulnerable residents Leasing and moving in tenants Staff to help with tenant conflict Regular security	Maintain skeleton crew for safety, assisting with Rent Assistance New move-ins unlikely Information communicated to tenants Staff to deal with serious conflict Security scaled back or cancelled	No help for vulnerable residents No move ins No information HUB for tenants No one available with knowledge of emergency procedures. No conflict mediation, Security contracts cancelled.
Systems Daily Upkeep Fire Suppression System Sewage Lift Station Key Fob Access/monitoring Garbage services	Systems fully maintained with preventive maintenance procedures	Systems still maintained, lower frequency No preventive maintenance, responding to system failures. Garbage still collected.	Systems requiring daily maintenance will fail. Access to buildings, water circulation pumps and heaters, main breaker switches, fresh air handlers, elevators, garbage not collected.
Maintenance Emergency Floods / Water Intrusion Broken Windows /Security Plumbing / Elect. Emergency	Immediate coordinated response to maintenance emergencies	Emergency Maintenance Response only Many staff laid off.	No emergency maintenance response. Threat of building being uninhabitable in an incident.
Insurances	Insurances in place	Insurances still in place	No insurances
Maintenance Work Orders Standard Upkeep		No routine work orders Maintenance techs and office employees lose jobs.	No maintenance No repair / replacement of failed appliances, refrigeration, etc.
Contracted Vendors Cleaning Contracts Landscapers Painters	Continue to employ	Cleaning cancelled – no cleaning of common areas, elevators, laundry Landscapers and all other services lose jobs	Cleaning cancelled – no cleaning of common areas, elevators, laundry Landscapers and all other services lose jobs
Resident Services	Resident services in place	Resident service workers laid off	No resident Services
Property Taxes (Next payment is May 15)	Property Taxes Paid	Property taxes unpaid. Taxes support Police, Fire, Government Functions, etc.	Property taxes unpaid. Taxes support Police, Fire, Government Functions, etc
Mortgage	Mortgage Paid	Mortgage unpaid. Owner seeks debt relief.	Mortgage unpaid. Owner seeks debt relief.

Multifamily NW May 2020 Rent Survey

	Number of Surveys	Sample Size in Unts	Percent of Households Non-PMT
Oregon	286	91,860	11.807%
Oregon All Conventional	243	82,230	11.806%
Oregon Class A	69	21,608	5.929%
Oregon Class B	109	47,329	13.257%
Oregon Class C	42	11,218	17.794%
Oregon All Tax Credit	43	9,630	11.814%
Portland	208	65,994	12.008%
Portland Conventional	183	60,020	11.819%
Portland Class A	50	17,836	6.077%
Portland Class B	86	33,027	14.227%
Portland Class C	30	7,332	16.273%
Portland Tax Credit	25	5,974	13.890%
Salem	35	13,664	13.392%
Salem Conventional	31	13,088	13.595%
Salem Tax Credit	4	556	9.256%
Eugene	21	9,227	8.853%
Eugene Conventional	17	8,115	8.732%
Eugene Tax Credit	4	1,112	9.675%
Central Oregon	12	1,965	12.845%
Central Oregon Conventional	8	718	16.119%
Central Oregon Tax Credit	4	1,247	11.038%
Southern Oregon	8	670	3.008%
Southern Oregon Conventional	3	289	1.394%
Southern Oregon Tax Credit	5	381	4.233%

201 respondents reported on \$10,779,208 in receivables owed by 8,201 households, at \$1,314/ HH.