

Dear Legislators of the Oregon House and Senate:

I am writing you today to provide input on the ramifications of proposed legislation being considered during this special legislative session.

Specifically this pertains to LC 90 and the moratorium extension for evictions for non-payment of rent.

I have worked in the field of professional property management since 1991. I have managed properties of numerous types, age, locations over the last 29 years –at both site level and portfolio management levels. I have overseen thousands of units as CEO of a large regional management company and also worked as VP-operations with a developer of large affordable communities across five different states. Prior to entering the industry, I grew up working on rentals owned by my grandparents (and still family owned to this day) in SE Portland (Brooklyn-Clinton neighborhood).

I am currently overseeing business development/marketing for a residential/commercial management firm with 9,000 rental units in Oregon and Washington.

As a provider and operator of rental housing, I have always taken much pride and satisfaction in the nobility of the profession. I believe we *all* need and deserve shelter and quality housing as it provides the sound foundation for so many other aspects of life.

Unfortunately, something has gotten lost in the optics over the last few years. Owners of rental housing have been vilified and “blanket-labeled” as greedy, un-caring, profit-driven and *automatically* wealthy. This is unfair and completely inaccurate. As in any profession, there are always a number of “bad actors”. But when the few are chosen to define the entirety...it leads to misunderstanding, mistrust, and unwillingness to communicate...and ultimately poor policy decisions are made.

LC 90 is a bad bill. It is shortsighted and ultimately does nothing to help keep renters in their homes. We have all been impacted (financial and otherwise) by the Covid 19 pandemic – some to greater degree than others.

The financial burden placed upon (recently) job-less people trying to pay rent is major.

With that said:

The proposed bill does *not* address the \$150 million shortfall in rental assistance for these struggling Oregon renters.

It creates a loophole for those who may be exploiting the crisis in their favor if they do not have to demonstrate that they cannot pay due to Covid-related impact.

It declares that the tenant has possession of the rental *despite* non-payment of rent - essentially a “re-write” of contract law.

The bill, at minimum, creates a year-long state seizure of property with no reassurance of compensation to the owner.

There are aggressive penalties to housing providers for administrative errors with this proposed bill’s policy. However, there is no guarantee of relief to providers who incur damages during the moratorium.

The bill would provide immunity to shelter operators and public entities...but not to rental housing providers.

In addition, it codifies an emergency ordinance on the books..forever.

My parents, my family... like me, are rental property providers that simply want to provide quality housing at a fair market price. Just as generations prior did. We are 4 generations Oregonians.

Please do not be misinformed with skewed impressions on social media.

Not all property management companies manage and own massive high-end properties and thousands of units.

Not all landlords are wealthy.

Returns can be quite thin and many operators have mortgages to pay in addition to taxes, insurance operating expenses, repairs and upkeep.

Without the primary source of revenue-rent-these costs cannot be covered and eventually the property falls into disrepair or is sold or is taken by the lender.

Small operators (all operators eventually) simply cannot survive without this revenue for extended periods of time. Many, especially older generations, are on fixed incomes and dependent upon this source as their retirement funding. A plan they put in place decades ago,

Bills like these will force the operator out of business and...ultimately... eradicate the supply of affordable housing so desperately needed in this state.

PLEASE. Long term solutions are needed. Not political punting.

A bill is needed that:

Provides rental assistance to struggling Oregonians (already facing \$150m shortfall in unpaid rent).

Improves distribution of rental assistance funds with a uniform application process enabling struggling Oregon renters to receive assistance IMMEDIATELY!

Opens the courts to process housing providers claims for damages and losses to minimize debt...and preserve naturally affordable rental housing.

Establish liability protection for housing providers (with the exception of gross negligence) to deter costly frivolous lawsuits...which just further restricts housing supply and jams up the courts.

PLEASE. I hope that you will take these points and this testimony into consideration as you contemplate this bill.

The long term effects are so very critical and so very important to so many.

Your time, dedication and service as an elected law maker is truly appreciated.

Thank you.

Sincerely,

M. Scott Arena, CPM®

M. Scott Arena, CPM® | Director of Business Development



Income Property Management Co. | 1800 SW 1st Ave. Suite 220 | Portland, OR 97201
p. 503.223.6327 ext. 125 | f. 503.223.3843 | e. sarena@ipmco.com | w. www.ipmco.com