

Grant Pease
3505 NW Marshall Dr.
Corvallis, OR 97330

Joint Interim Committee On The First Special Session
900 Court Street NE, Suite 254
Salem, OR 97301-4047

Re: Testimony regarding LC 45 Residential Eviction Moratorium

June 23, 2020

Dear Senate President Courtney and Speaker Kotek, vice chairs Senate Republican Leader Girod and House Republican Leader Drazan and members of the Joint Interim Committee on The First Special Session of 2020,

I am an independent residential rental property owner in Oregon with a small number of residential units. This business provides most of the income for my family. I appreciate the opportunity to provide input related to the residential eviction moratorium in LC 45.

I have supported the Governor's COVID-19 emergency no-eviction order and wrote to the Joint Special Committee on Coronavirus Response in March indicating my support for this temporary measure while medium-term and longer-term solutions are put in place.

Now is the time to consider how to manage winding down this emergency order, as well as how to manage the costs that have been built up by tenants who are unable (or unwilling) to pay rent.

Toward this end, I ask that you consider the position of responsible property owners as well as tenants. Property owners have been ordered to provide services for public and private good with no reasonable expectation of compensation. Obviously, property owners' obligation to pay property taxes, maintenance services, utilities, and interest on private debt remains. On the other hand, tenants have little incentive to pay rent, no obligation to apply for rental assistance, and no obligation to document that their finances are impacted in such a way that they are unable to pay rent.

This requirement to provide services without compensation is different than any other service provider. For example, food is a basic necessity, but no grocery store is required to deliver food without payment.

I oppose sections in LC 45 that relate to residential eviction moratorium as written for the following reasons:

- It creates a law that forces property owners to deliver services such as a dwelling, utilities, and maintenance without compensation. My largest expense, property taxes, which pay for education, city and county government services, and public safety remains due without regard for the COVID-19 emergency or income shortfalls;
- It does not require means testing or even an obligation to apply for assistance on the part of renters;
- The public health and economic burden of COVID-19 is a shared burden. Appropriate legislative response should be to create mitigation processes for those most impacted with costs shared by

all (e.g. through taxes and state funds). LC 45 requires property owners alone to fund rental housing costs for an unknown period of time.

- It contains extreme penalties for landlord's who make administrative errors and provides no property owner redress with respect to tenants who abuse the intent of the law and the associated emergency order. It contains no realistic means to collect rents due.

I urge you to reject the residential eviction moratorium in LC 45 in its current form. As an alternative, I suggest providing meaningful rent subsidies to renters who are suffering and creating a process through which the state begins to adjudicate the millions of dollars in unpaid rent that continue to accumulate. One approach, for example, would be for the state to purchase unpaid rent debt from property owners and then create a fair process for determining how to manage that debt by forgiving where appropriate and collecting where appropriate. This proposal would create an expedited system for adjudication and put the costs for emergency housing during the COVID crisis where they belong – with all residents of the state. Furthermore, I imagine that many property owners like myself would be willing to sell debt at less than full face value to the state providing immediate savings to the state and tenants.

In conclusion, I support the Governor's eviction moratorium emergency order on a short-term basis but believe that LC 45 extends that order for too long without any compensation or fairness for property owners. I hope that the committee instead focuses on finding medium-term housing solutions that efficiently allow impacted tenants to stay in their housing while sharing the costs of that help widely across the citizens of Oregon.

Thank you very much for your attention.

Best Regards,
Grant Pease