



DIERINGER'S PROPERTIES, INC.

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Via: JISS.exhibits@oregonlegislature.gov

LC 45 TESTIMONY

Dear Governor Brown, Senators and Representatives of this great State of Oregon

We own and manage approximately 75 residential units and several commercial properties in the State of Oregon, mostly scattered throughout the Portland area but including Gresham and Corvallis. As a local business owner, I also reside SE Portland.

We have read the proposed LC 45 being reviewed by the Oregon Legislature and find it very troubling.

- While it may be linked somewhere else in the law and other current emergency measures, we did not read anywhere in the proposed document that a tenant can forego/defer paying their monthly rent obligations with **advance notice and proof of hardship** for the specific reason of being directly impacted by COVID-19. There needs to be a direct link. As we interpret LC 45 as it is currently written, a residential or commercial tenant may stop paying rent (for any reason it appears) and a landlord may not take action. **A tenant that can pay their rent obligations should be required to pay their rent obligations, and we believe that this type of language should be included in LC 45. A tenant abusing the system should also incur possible repercussions and penalties if it can be proven by a landlord that they had the income or other ability to pay their rent obligations but willingly elected to stop paying because there were no consequences and only because the tenant had the right to forego/defer rent under LC 45.** What is good for the goose is good for the gander. As it is written, it appears rife with the possibility that tenants can abuse the intent of LC 45 without consequences other than accruing debt which they may or may not be able to pay in the future (or choose NOT TO pay in the future) causing hardship and irreparable damage to landlords. Landlords' bear all the risks with no immunity from penalties, yet tenants have little or no risks for taking inappropriate actions or not paying their rent.
- LC 45 addresses mortgage obligations, but does not address all the other expense obligations a landlord incurs and may not be able to meet when tenants' do not pay their rent. Without rental income, landlords may not be able to afford paying their property taxes, insurance premiums, water/sewer bills, maintenance and other upkeep costs. If a landlord is forced to be a "financer" of their tenants' rent and possible utility obligations (ie water/sewer, garbage in most cases) with no late charges or other fees, then all such obligations owed by the landlord should have the ability to be treated in the same manner by the landlord to the respective service providers. And if the garbage company was forced to accept and remove garbage while deferring customers' bills, then garbage haulers should be able to defer their expenses owed to transfer stations and garbage dumps, and the City Water/Sewer should defer their costs in providing this essential service. Unfortunately a landlord cannot run away from a water/sewer or other utility bills or a property tax expense like a tenant can potentially run away from accrued and unpaid rent.

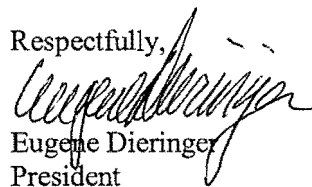
WHERE DOES IT END? These rules and regulations are over reach by the government with major risks and negative impacts & consequences **imposed** on landlords and select other entities and minimal risks or consequences imposed on tenants other than accruing debt which they may or may not be able to pay back, and most likely will not be able to payback all of what they owe in any reasonable time period or typical average length of tenancy, but will enjoy the **forced** hospitality of the landlord at the landlord's expense during the full length of the declared emergency. Why should landlords and mortgage companies be saddled with this burden and it not be shared by everyone from the top down, including all businesses and municipalities that serve the housing industry. If a tenant can defer rent, why should they not be able to defer their electrical/gas bill, cell phone bill, car insurance or their internet service? If tenant's deferred those expenses, just maybe they could afford to pay their rent.

We have been working with our tenants on a case-by-case basis to assist where we are able to knowing that both tenant and landlord both benefit by working together. If Landlords are expected to be penalized for "cheating" or "acting unfairly", then to have an even playing field and equal incentives for following the rules, tenants should likewise have consequences and penalties for not playing by the rules. Having unreasonable regulations and restrictions with such as those set forth in LC 45 forced upon Landlords without sharing the risks and burdens equally between landlords and tenants in addition to the multiple industries and municipalities serving landlords and tenants is only lopsided and unfair.

Lastly, if we read LC 45 correctly, this order could go on indefinitely until the emergency is lifted. With no one knowing the length of this crisis, if enough tenants choose not to pay their rent, it is unreasonable to expect landlords to afford maintaining their properties indefinitely in the manner tenants' are used to which could lead to a different kind of housing & livability crisis, not to mention an economic crisis for both landlords AND tenants alike. Recent reports have shown that market conditions are pushing rents downward for the benefit of tenants. Landlords need to be given a reasonable chance of surviving with minimal restrictions imposed from the government so that Landlords can work with tenants and sustain their business and can continue to provide reasonable housing and commercial spaces to families and businesses within the community without fear of potential and damaging consequences of poor legislation heralded in by our officials which only cause destruction of more lives and livelihoods.

COVID-19 has impacted almost everyone, individuals, businesses, tenants.... INCLUDING LANDLORDS !! Landlords should not be a scapegoat. As LC 45 is currently proposed, it is tenants who will be incentivized to manipulate the regulations and exploit landlords unfairly in their favor. Don't penalize landlords more by implementing additional, burdensome and unfair legislation.

PLEASE VOTE AGAINST THIS PROPOSED LEGISLATION. HOWEVER, IF YOU STILL FEEL IT IS NECESSARY TO IMPOSE ADDITIONAL REGULATIONS, ALL PROPOSED AGAINST LANDLORDS, PLEASE - PLEASE CREATE EQUAL MOTIVATIONS OR PENALTIES ON THE TENANTS SIDE OF THE EQUATION TO LEVEL THE PLAYING FIELD SO THAT THERE ARE INCENTIVES FOR BOTH TENANTS AND LANDLORDS TO WORK TOGETHER AND NEITHER PARTY TAKES ADVANTAGE OF THE OTHER.

Respectfully,

Eugene Dieringer
President

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