

Written-Only Testimony to Joint Interim Committee on the First Special Session of 2020, June 23, 2020

Thank you for allowing me to testify in favor of LC 45, Sections 1 through 4, the eviction moratorium bill (now HB 4213).

My name is John VanLandingham. I work as a lawyer for the Oregon Law Center, based in Lane County.

This testimony supplements my oral and written testimony on LC 45 yesterday and applies to both LC 45 and LC 90, Sections 1 to 4, with amendments expected tomorrow in HB 4213. Please allow me to clarify a few points and respond to a few comments by opponents. I have worked with the Speaker's staff to draft these sections and the pending amendments.

1. How will the eviction moratorium and the grace period work?

a. The eviction moratorium will extend the Governor's moratorium from its ending date of June 30 to September 30, 2020. This is a hard date; there is no endless moratorium.

b. That means that tenants will have to pay rent as it accrues, beginning on October 1, 2020, and continuing with November rent, December rent, etc.

c. The grace period will run for six months, from September 30 to March 31, 2021. During the grace period, current rent would be due and failure to pay it would allow a landlord to terminate for nonpayment, but a landlord could not terminate for failure to pay the arrears – called the “nonpayment balance” – that accrued in the moratorium period – called the “emergency period” in the bill – between April 1 and September 30. Any arrearage that accrued prior to April 1 would not be included in the grace period protection.

2. What's the purpose of the grace period and why is it needed?

a. As you know well, thousands of workers lost their jobs due to the pandemic and the necessary closings of businesses and of schools. Those workers have no income with which to pay their rents, through no fault of their own.

b. Multifamily NW's own data, from surveys of its landlord members and other landlords, show rent payments have been much better than feared. National and local landlord groups feared that 40 percent of rents would be unpaid, starting with April. That has not been the case. June rent payments were the worst so far, but still better than feared, at only 15 percent unpaid. The point is that most tenants are paying rent, somehow.

c. But the unpaid rents for lower cost units was at 18 percent, and at about 20 percent for all units on the Coast. If 15 to 20 percent of low wage working tenants are not paying rent, that would mean a lot of people could be evicted without the extension of the moratorium. And while some businesses are reopening and some people are able to go back to work, those numbers are still small and workers are earning less than before the pandemic. This bill will require renters to resume full rent payments with October, but it will take time for tenants to acquire the money needed to pay the arrears. Thus, the grace period.

d. Tenant advocates fail to see how evicting tenants now for nonpayment or how denying the grace period for arrears helps anyone, including landlords, especially while the two main forms of assistance to tenants now – federal CARES Act funding for rent assistance and unemployment insurance – have been very slow to get out the door. Much of this money won't be allocated before the Governor's moratorium expires on June 30. Note that federal rent assistance money goes directly to landlords – but not if a tenant has already been evicted. Note also that tenants rarely pay arrears after they have been evicted.

e. Many Oregon landlords recognize all this and have been helping their tenants during this period, some by entering long term payment plans for rent arrears.

f. Tenant advocates agree with the plea yesterday by Deborah Imse, Multifamily NW's executive director, for more rent assistance. We have been working with Deborah and several others to identify possible funding sources and

to encourage their use for rent assistance. We recognize that, if landlords fail, tenants fail too.

g. To date, the legislature and local governments have allocated about \$100 million in state and federal dollars for rent assistance, although as noted above much of that money has not been distributed yet. More is needed, and we will continue to work together on that.

f. Keep in mind that these provisions are not just about rent. They are intended to keep people housed during the pandemic, when we want people to “Stay home, stay safe, save lives.”

3. What would be prohibited by the eviction moratorium?

a. Identical to the Governor’s moratorium, Executive Order #20-13, the following tenancy terminations (aka, evictions) **would not be allowed** during the 90 day moratorium extension:

i. Nonpayment of rent under ORS 90.392, 90.394 or 90.630;

ii. Nonpayment of other charges owed to a landlord, such as for utilities, late charges, fees, or other charges under ORS 90.392 or 90.630;

iii. For no cause during the first year of occupancy in a month to month tenancy or at the end of a fixed term tenancy under ORS 90.427 (3) and (4);

iv. For a “landlord cause” such as sale of a unit to an owner/occupant, conversion/demolition, major repairs, and occupancy by the landlord or a family member under ORS 90.427 (5); and

v. For no cause by a landlord who lives in one unit and the tenant lives in the other under ORS 90.427 (8).

b. During the moratorium and the grace period, landlords **would still be allowed** to terminate tenants for cause, meaning when tenants break the rules or the law:

i. Property damage under ORS 90.392;

- ii. Disturbing others or violating rules regarding noise and maintenance, for example, under ORS 90.392;
- iii. Threatening the landlord or others or causing injury under ORS 90.396;
- iv. Criminal acts under ORS 90.396;
- v. Having an unpermitted pet under ORS 90.405; and
- vi. Domestic violence under ORS 90.445.

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