



June 25, 2020

Co-Chairs Courtney and Kotek  
Joint Special Committee on First Special Session  
State Capital  
Salem, OR 97301

Dear Co-Chairs Courtney and Kotek and Members of the Committee,

Oregon Smart Growth (OSG) appreciates the opportunity to share our thoughts about HB 4204-2 and HB 4213-12, and actions the State and local jurisdictions can provide to help businesses and, most importantly, their employees during this challenging time. As an organization committed to policies that encourage walkable, compact development that is economically, environmentally and socially sustainable, we urge the following actions take place as quickly as possible.

**First and foremost, thank you for helping employees and their families maintain stability by demanding better performance of the Unemployment Insurance (UI) Funds** so that all workers, small business owners and sole proprietors are covered if laid off or faced with reduced hours, or if they are quarantined or caring for family members that are quarantined.

**We urge you to:**

- **Provide support/relief for property owners whose own stability is significantly impacted by a tenant's inability to pay rent due to the coronavirus and eviction moratoriums, for both residential and commercial.** HB 4213 requires that rent assistance a tenant receives must be paid to a property owner, if rent is past due, which OSG supports. **It should be made clear what constitutes "publicly funded rent assistance," including residential rental assistance through OHCS, local government small business assistance grants for rent, and federal assistance, such as the Economic Injury Disaster Loan and the Payroll Protection Program (where up to 40% can now go toward rent and still be forgiven.)**

Including these types of payments as publicly funded rent assistance will prevent a chain of instability in housing and employment. Many multifamily properties have 1:1 debt service coverage ratios, so it won't take much to put them underwater. Many building owners are already reducing tenant payments (multifamily and storefront/office) to help and they realize that other businesses, especially hospitality and small businesses, have shuttered and have little ability to pay rent.

The executive orders in response to coronavirus produced significant rent shortfalls, which translated directly to reduced income for many property owners beginning in April. According to Datex, only 58.6 percent of retail businesses were able to pay rent in May.

**Although budget and funding issues are not a part of the scope of this first special session, it is critical that additional funds be made available to support residential and commercial tenants for the duration of any eviction moratorium.**

- **Enact HB 4204-2, a foreclosure moratorium for properties where financial distress is directly tied to emergency declaration orders.** A moratorium would push a much needed "pause button" on the economic consequences of COVID-19, enabling business tenants and property owners to plan for recovery with confidence and in collaboration. What is needed is a safe harbor for Oregon property owners and our tenants, so that we can weather this economic storm together. **We support these key elements of HB 4204-2:**
  - **Establishes a 90-day timeframe for both the foreclosure and eviction moratoriums.** These two policies are inextricably linked and must apply over the same time period.
  - **The foreclosure moratorium avoids punitive costs,** such as fees and penalties at the end of the period of emergency.

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**Executive Director**  
Gwenn A. Baldwin  
[gbaldwin@oregonsmartgrowth.org](mailto:gbaldwin@oregonsmartgrowth.org)

- **The foreclosure moratorium puts repayment of unpaid mortgage at the end of the loan time frame** and requires notification to the borrower of their rights to accommodation under this bill.

**Property owners range from big to small, and often their entire livelihood is tied into just one or a handful of properties. The expected shortfalls in revenue will create a widespread inability to make mortgage payments.** As that occurs, many property owners won't be financially able to provide ongoing support to tenants at the levels needed for both short-term survival and long-term recovery.

**In summary, the eviction moratorium of HB 4213-12 must be paired with the mortgage foreclosure moratorium in HB 4204-2 in order to ensure stability throughout the residential and commercial tenant/property owner continuum.**

Thank you for all your work to help Oregonians in these challenging times.

Sincerely,

A handwritten signature in blue ink that reads "Gwenn A. Baldwin". The signature is written in a cursive, flowing style.

Gwenn A. Baldwin  
Executive Director