

Hello,

I am writing to you today to express my concerns regarding LC-18 as proposed. I appreciate that the legislature has taken up this issue during this difficult time. However, as written, I believe the bill still falls short of an acceptable solution for Oregon Landlords. My issues with the bill, as written are that a) Landlords should not be required to forgive 20% of rent owed by tenants in order to receive the state assistance. The state should either pay 100% of the past due rents or the state should leave landlords the option to pursue collection from tenants at the end of the emergency period. b) Landlords should still be eligible to receive the state assistance if, for any number of reasons, the tenant has moved out with rent owing for any period of the eviction moratorium. To date, the state has made it possible for tenants to not pay rent for 10 months. For a variety of reasons, tenants may have moved out or will move out in the coming months and landlords should be compensated for all unpaid rent in the emergency period. And c) Tenants should have to provide support for their claim that they cannot pay rent if challenged by their landlord. I suspect there are more than a few cases where tenants are now and will continue to abuse this period to not pay rent and the current bill allows them to walk away 100% debt free by signing a paper that cannot be challenged.

My husband and I own four single family rentals in Eugene, Oregon. I work as the Finance manager for a local non-profit, and my husband is a firefighter/paramedic for a local fire district. I share this with you to say that many Oregon Landlords are regular people, struggling to get by in this time as well. Our rentals are all mortgaged in a way that our rents are about equal to our mortgage payments. We also have a mortgage on our own home. Because of the debt interest on our properties as well as insurance and high property taxes, it is very important to us to make all of our mortgage payments timely and in full. We needed to refinance several properties this year. Because of all of that, forbearance of mortgage payments has not been a viable solution to the current crisis in which the state decided that a handful of their citizens (landlords) should be solely responsible for making direct welfare payments covering the housing costs for a handful of their other citizens (tenants). No other aid program in the state works that way.

Our rental properties are no different than any other business. Since March, the state has mandated that we keep our doors open to our customers (tenants) but we are not allowed to charge for our product/service (housing). Can you imagine doing the same thing to a grocery store? People are going hungry during the pandemic as well, should the state not mandate that stores stay open, pay their operating expenses, and hand all of the food out to anyone who claims they have had a reduction in income for free? For 16 months!

While I support housing programs in general and keeping people housed during the pandemic, it is not my responsibility to house the unhoused without payment. If that is a state priority, the state should **fully** cover the costs of providing the emergency housing. I am a life-long proud registered democrat and I don't mind paying my share of taxes, knowing that it helps those less fortunate and funds many important programs. But, this situation feels very wrong to me. The 20,000 in housing subsidies (unpaid rent income) we

have paid directly in 2020 for one family is more than twice what my total state tax bill was last year. Add another 10,000 to that if I have to continue to house the family thru June.

We have always understood that there might come a time when one or more of our rentals was unoccupied or otherwise did not have rental income for a **couple** of months. We have options in place to cover this (credit card debt, small reserves, personal family loans), but, we **really** depend on having the homes occupied with paying tenants to stay current on our obligations. Our rental properties are our main source of planned income in retirement as we have not yet been able to put away significant sums of money as we have been busy raising our kids, including three kids my husband adopted out of foster care.

Fortunately, during this pandemic, both of us have been able to maintain full employment and 3 out of the 4 rental homes have kept up with their rental payments (so far). We have purposely delayed planned rent increases indefinitely as we do not want to create additional burden for our tenants during this uncertain time. We have continued to keep up with routine and non-routine maintenance on our properties.

However, we have one tenant who last paid rent in February. For this property, rent is \$1,750 and the mortgage payment is about \$1,600. In a normal time, we net a small amount that we can use for repairs and maintenance. This tenant has been challenging from the start but we have worked with her over her tenancy to keep her and her family housed as we do with all our tenants. We have had months with late payments, months with payment plans, neighbor complaints, etc. But, until March, we were always able to work out a solution that both parties could live with. From March thru December, we have lost \$17,500 in rental income while still incurring our monthly expenses on the property (just over \$16,000).

In our case, the tenant stopped paying rent prior to the eviction moratorium and was, therefore, eligible as of July 1 to be evicted for non-payment. However, because of limited court operations, our case is not scheduled to be heard until January 15, 2021. By this time, we will have lost another month of rental income (over 20,000 when you count court and other costs). That amount is nearly 1/6 th of our 2019 taxable income!

It is my read of this bill that, if we can actually get her evicted on January 15, we would not be eligible for assistance from the fund. As we have housed her unpaid for the last 10 months due to state mandate, this solution is unacceptable to me. Our other option would be to cancel the eviction case in hopes that our application **might** be approved and we **might** receive 80% of back rents but would have no recourse on the other 20% and no guarantee when or if we might receive assistance. Again, an unacceptable solution to a problem the state has passed from one constituent to another.

As noted previously, we are currently owed 17,500 in back rents. If our tenant stays until June, that number grows to 28,000. It is outrageous to me that the plan is that maybe (if the money doesn't run out or if we qualify) we can collect 22,400 of that from the state and we have to write off 5,600 and the tenant (who has told us that she is working and saving

money and recently purchased a new car) will be able to walk away having lived rent free for 16 months if she signs a statement (that we are not allowed to contest) that says she has had a reduction of income.

While I do support efforts to keep people housed, and I do believe the eviction moratorium was necessary, the protections for landlords like us have been basically non-existent. We have real costs that continue no matter what. Forbearance doesn't stop insurance, property tax payments to the state or interest (the three largest components of our mortgage payments). It doesn't stop the maintenance costs that occur all the time. Rent assistance programs have been helpful to some, but they are not reaching many of us.

I believe that this crisis for landlords, if not remedied in full by the state for the entire emergency period, will cause more harm for all renters down the road. For us, we will be forced to increase rents on all our properties to the maximum amount allowed. We may defer maintenance on our well-kept properties. We certainly will be less flexible than we have been in the past for tenants needing flexibility in payments, deposits, less than stellar rental history, etc. A full reimbursement for rents owed will go a long way towards forgetting this painful period.

At this time, I urge you to more fully consider the other constituents you have that are also suffering in this crisis (landlords) and to please revise the legislation to provide 100% direct payments to them for lost rents during the entire moratorium period (even if the tenant is evicted for other reasons) and/or remove the 20% write off provision so that we can pursue collection from tenants down the road. The burden has been unduly shifted to us in a way that denies us our right to earn income from our business.

Thank you for taking the time to hear our concerns.

Allegra Jasper