

To: House Committee on Housing
Date: December 17, 2020
From: Dianne Cassidy
Re: LC-18

I am the owner of a 75-unit apartment complex in Gladstone, Oregon. I have been in the rental housing business for over 20 years both as an owner and in the past as a manager of a larger portfolio of apartment properties in the Portland Metro area. I do not believe the state legislature understands the basics of the rental housing business, or cares about private housing providers who make their living on their real estate investments. By denying us the opportunity to profit from our business and now, the right to even collect what money is due, the state is stubbornly staying the course they have embarked upon - to destroy the rental housing industry in the state.

LC-18 is one of the worst-written and conceived pieces of legislation I have ever read. It is unintelligible and convoluted - a noble-sounding, kind-hearted gift to renters up front held together by a series of traps and minefields for landlords. The only winners in LC-18 are renters who submit a declaration that they are having difficulty paying their rent. No proof required. No challenges by landlords allowed. Just a renter's signature on a piece of paper entitles him or her to evade paying rent for up to 15 months. Some landlords will receive some money, but it is acknowledged up front that there is not enough to go around so we all know who will be paying the bills in the end - the same person who always pays the bills - the landlord.

I am quite certain that my tenant who are not paying rent do not realize that it is me that has been paying for their housing costs for the last 8 months. There is no one else but me that pays the bills. The State inserts a line in the legislation that renters are still obligated to pay rent, but it has set up conditions where most tenants will never be able to repay their debt. If the tenant in #101 owes me over \$10,000 now, by next June it will be over \$20,000. The odds of collecting even a fraction of that rent are almost zero. Now multiply that number by all the other tenants who are not paying their rent, and all the renters who will be encouraged by this lax piece of legislation to not pay in 2021. How long can anyone stay in business without being paid?

What does the State expect to happen to the rental housing market now that the state has turned the tables? The tenants don't have to pay me for their housing, I pay the costs for them. And the more regulatory and financial burdens the state piles on landlords, the less incentive there is to stay in the business. Rental housing is, after all, a profit-making business, not a charity.

- No proof of financial loss or strain required (as measured by household income ratio to rent per landlord rental criteria)
- Make landlords responsible for tenants' housing needs
- Creates barriers and penalties to exercising landlords' contractual and property rights
- Admitted underfunding for amount of rent reimbursements needed to cover debts incurred
- Exacerbates the already strained relations between landlord and tenant created by anti-landlord attitudes and legislation
- Does not clearly define landlords' rights or how they can collect money now or in the future
- Eliminates the ONLY recourse landlords have for non-payment of rent
- Legitimizes free-loading for people who can pay rent
- Increased, expensive, legal and administrative (burdens for landlords)

- Terribly written and confused language and structure - doesn't adequately address payments due from 10/1 to 21/31.

Hastily-written legislation such as this begets bad legislation with dangerous consequences. It will not be just landlords who will be suffering when this emergency ends.

INSTEAD -

State should issue vouchers to tenants who prove financial hardship.

Moratorium on evictions can be placed on those who qualify for rental assistance but whose rent has not been paid.

By paying tenants directly you avoid the can-and-mouse games over who deserves a break on paying rent and gets the people most in need the help they need.

The system already exists to do the job. Section 8 Vouchers handled by the counties - no new administrative system needed.

I hope you have the guts and brains to do the right thing for everyone involved.

- Junk this LCV-18 and have the state handle payments to the tenants directly.
- Find another way to help landlords with tax credits on unpaid rent.

Sincerely,
Dianne Cassidy
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