

Testimony regarding LC 18

My name is Jeff Reingold. I'm a life-long Oregonian and president of IPM – a Portland based firm that provides housing for over 8,500 residents in Oregon and S.W. Washington. In my 46 years as a housing provider, I have never witnessed a situation in which the State of Oregon has deemed it necessary and appropriate to force property owners to house residents with no compensation for an indeterminate period of time. This is unreasonable, unnecessary and could have been addressed by the legislature far earlier in the emergency. Instead, the legislature is now considering LC-18, a badly flawed and ill-conceived “fix” to address a crisis that has been almost ten months in the making.

Our trade group, Multi Family NW, has advocated from the outset of this emergency that rental assistance must be distributed as rapidly as possible. There are existing and effective means of making these distributions that do not rely upon the unwieldy, layered system that picks “winners and losers” to be recipients of emergency housing aid.

In order to qualify for a portion of the inadequate funding for relief, housing providers must waive substantial contractual rights to their property, agree to accept a 20% discount from what is actually owed for the service provided and then, because the amount of total compensation offered is in the range of only 20 percent (or less) of what is actually needed on a statewide basis, providers will have to wait to see if they are selected to receive any aid at all, conditioned upon whether they are found to be qualified under the restrictive terms of the proposal.

Worse, legislators are using this emergency to drastically change laws outside of the legislative process that will further hamper housing providers in their work. This is exactly what Oregon doesn't need at this time.

Relief for housing providers is needed now, not months into the future after the Housing and Community Services Department develops its “qualifications, priorities, restrictions or limits on the distributions made under this section.” Given the time that this will take, funds for those few housing providers that are “accepted” will not be available for many months, perhaps well into the middle of 2021.

Finally, there is the longer-term impact of this proposal that needs to be considered. We are in the midst of a housing supply crisis that is only going to get worse. I can think of no better way to demonstrate to potential developers and lenders around the country that Oregon is not only “closed for business” but actively discouraging development by the way they are treating existing housing providers. We should not be surprised when word spreads further in the development community that Oregon's leaders and legislature care so little for housing providers that they are willing to literally take away their source of income when and if they so choose, without adequate and timely compensation.

There are other much more appropriate solutions to the current crisis than this ill-conceived and grossly unreasonable proposal. One such proposal is LC-881 supported by Senator Betsy Johnson. This is an elegant and reasonable approach to reimburse housing providers for rents that have been forgiven using state tax credits to be issued in the future. I urge you to consider this far better alternative to LC – 18.

Respectfully,
Jeff Reingold
President
Income Property Management Co.