



December 17, 2020

Joint 3rd Special Session Committee
Support for LC 18

Co-Chairs Kotek and Courtney:

First and foremost, we want to thank you for your efforts to further the viability of LC 18. It is very clear that legislators have heard the small landlords' pleas for help and are keenly aware of the urgent need to restore and maintain the stability of the rental housing market as a whole.

The Rental Housing Alliance Oregon is made up of roughly 2,000 members, 80% of whom own 10 units or fewer. Many of these owners rely on the rental revenue from their units as *their* own household income and the money is what enables *them* to remain housed, pay bills and put food on their tables, as well as pay the property taxes, insurance and often utilities on the units. By developing a landlord compensation fund, you have helped us be able to continue helping tenants. Clearly, if landlords fail, tenants fail, so aid to both during this time is critical to the stability of the rental housing market.

As noted in the Office of Economic Analysis study provided to Representative Keny-Guyer, 10-15% of tenants are behind in rent. For larger multi-unit complexes, this debt is more easily absorbed than by the small landlord who may be relying on rent to pay their own bills. LC 18 will have a huge impact on the landlords who have had to dip into savings, raid retirement funds and take out second mortgages.

Unfortunately, there are bad players in all situations, but for the most part everyone is doing what they can. We believe this. We have seen this. Our members have tried very hard to be understanding of our tenants impacted by COVID and to provide them with the leeway they need. However, for many it has come to the point where they can give no more. While tenants have had opportunities to apply for assistance, for some it is difficult – language, looking for work, caring for others, pride – these are barriers. By allowing landlords to apply for the funding for multiple tenants, you shift the burden off of tenants and it is one that landlords can and want to bear, even with a 20% forgiveness agreement. It helps landlords – it helps tenants.

Other comments we wanted to share:

- We understand the need to extend the eviction moratorium. We hope that in 2021 we might see additional federal funding to help Oregon finance this effort while not decimating the rental housing market.
- There needs to be some sort of provision where a landlord and tenant are encouraged to work out partial payments or develop a payment plan. This would inspire communication and resolution between tenants and landlords without third party involvement and may result in enduring, longer-term benefits, especially if the pandemic extends throughout next year.
- The notice of eviction for non-payment of rent (when allowed) should **not** be extended. Tenants who have not made efforts to pay rent know an eviction is coming and more time after notice only leads to more rent that will never be paid.
- A tax credit has been discussed – we see this as a good option for landlords to recoup the 20% forgiveness they have provided to tenants.

With appreciation for your public service,
Ron Garcia
Legislative Chair and President-Elect