

Dear Chair(s) and Members of the Committee:

As it is currently drafted, LC-18 neither provides full relief to renters, nor to providers. **I strongly urge you to either amend it or supersede it with more immediate relief that is more practical in terms of planning, implementing and funding, and would prove more beneficial to all - the State, housing providers, and renters.**

I am submitting written testimony as a housing provider whose ability to maintain our 380 Portland rental units has been severely impacted by the pandemic. We have seen many residents choose to leave their homes rather than incur debt with uncertain employment, delayed or insufficient unemployment funds, and no clear rental assistance or relief in sight. We have dealt with the uncertainty of trying to provide quality housing and jobs for our staff despite legislation that essentially forces us to render our rental housing product and services at no cost; but, does not excuse the fixed costs we incur in providing and maintaining that housing.

LC-18 is the wrong response

- Robust emergency rental assistance to be distributed as quickly as possible. Legislators should direct the state's emergency board to distribute emergency rental assistance funds through the existing statewide system and stop adding on layers of confusing rules that further divide housing providers and renters.
- We're concerned that this catastrophic emergency is being used to change laws outside of the traditional legislative process. LC-18 goes far beyond creating a housing provider relief fund and can be used to make permanent changes to Oregon's housing laws.
- LC-18 arbitrarily sets up two different systems for rental assistance. The system for housing providers requires a waiver of contractual rights to your property and a mandatory penalty of 20% of your income. The system for renters has no additional conditions.
- The timeline to set up the relief fund is a major concern. Accounting for the rulemaking process at the agency, setting up the program with local housing authorities and processing applications, the relief fund won't be available until the middle of 2021. Oregon's renters and housing providers simply can't wait that long for relief.
- It does not rescue tenants from ultimately having to file bankruptcy or eviction.
- It does not come near to compensate owners/managers for orders which required them to provide services for free.
- It requires a current funding source that does not exist.
- It exposes the State to significant takings claims in court.

If it is to go forward, amending LC-18 to include Sen. Betsy Johnson's LC881 in the special session's final product could provide advantages for all parties, such as:

- The State avoids takings claims as the rent the State has prevented the owner/manager from collecting becomes so old as to be worthless.
- The owner/manager recovers something in exchange for having provided services to tenants without cost during the duration of the emergency.
- The renter receives debt relief and peace of mind knowing there will be no obligation to pay thousands in back-due rent or suffer bankruptcy.
- The State will be able to accomplish the preceding by use of future rather than current revenues.

Thank you for your consideration of this perspective.

Best regards,

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