

December 10, 2021

Dear Co-Chair's Beyer, Fahey, Vice Chairs Knopp, Wallan and Members of the Committee:

Thank you for this opportunity to share my experiences and insights.

My name is Scott Arena. I currently live in Lake Oswego, residing within the boundaries of Senate District 19.

I have personally been in the business of providing rental housing for the past 30 years. Over my career I have worked with four large regionally-based professional property management firms- managing all types and sizes of residential properties across multiple states. Currently, I am Director of Business Development for Income Property Management (IPM), a fee-based management firm overseeing more than 9,000 units across 150 multifamily properties throughout Oregon and Washington.

The impact of the Covid-19 pandemic upon the rental housing industry has been significant to say the least. Both renters and housing providers have had to endure challenges never before seen or ever anticipated. Many Oregonians suffered loss of income as a result of the Covid-19 outbreak, greatly hindering their ability to fulfill their rent obligations. Housing providers knew this was going to be a challenge. With a growing number of renters out of work and unable to pay rent (and some electing not to), many owners (especially of smaller properties) have to rely on reserves -if they have them- to meet monthly operational expenses.

To those outside the profession, the costs to operate a rental property may not be readily apparent. Rental revenue is often the singular source to fund the financial obligations of property upkeep, repairs and replacements, staffing (if needed) and associated payroll burdens...and of course, insurance, property taxes and mortgage debt.

I have a personal familiarity with this aspect. In addition to my professional career, my family has owned multiplexes and single-family rentals in the Tri-County region for 3 generations.

One property owned by my parents is a duplex in SE Portland near the Mt Tabor neighborhood. It has been in our family for nearly 7 decades. My grandmother purchased the property from her uncle in the 1950s. She passed away in 2001 and my dad inherited the property. My dad is now 81 and suffers from severe health challenges. This property is for him, like so many of his generation, a principal source of a fixed retirement income. An income that is quickly eroded by medical and prescription costs-especially impacted by rising living costs and rising inflation

When the pandemic hit and the shut-downs enacted, one of the renters stopped paying rent as of April 2020. No rent was paid for the remainder of that year. Insurance and taxes still had to be paid. Upkeep costs continued to be incurred. Utilities had to be paid. The renter applied for assistance via a CAA in the summer and a check was FINALLY received on December 31st.

In 2021 no rent was paid for months and the resident applied for OERAP in May. The process was riddled with confusion and frustration! The application procedures managed by Oregon Housing Community Services was onerous and confusing (even to the provider side). The portal for application was confusing in directions, difficult to navigate, and pretty much impossible for my elderly parents to complete without much assistance. The waiting for funds was a process of wonder and confusion- neither renter or owner was updated on time-frame or ETA! This process remains today a chaotic mess with thousands still waiting assistance and severely behind in rent obligations

My parents (as owners) are frustrated with the lack of support shown by our state policymakers for people in their predicament. They feel that they have been forced to provide services without compensation while some residents are residing essentially for free.

Given the frustrations and concerns and numerous policy changes, they are fed up at this point and formally considering getting out of the rental business and selling assets in 2022. It would be sad to see a family legacy property sold, but I understand and feel their frustrations.

Renters need financial help during these unprecedented times! Reputable and dedicated housing providers know this and want the best for the residents they serve! But housing providers need help with obtaining the financial means they need to PROVIDE housing. Renters need access to the assistance funds available to them!

The relief funds program administering has been abysmal and **severely mismanaged**. Millions of dollars available for renters are sitting idle while thousands wait for this financial help.

Ongoing failure to deliver the entirety of the Landlord Compensation Fund-months after the program closed, strongly indicates the rent relief situation at hand is largely the result of gross mismanagement. OHCS recently admits that hundreds of checks with incorrect routing information went out causing further delay in thousands of dollars in Oregon rental assistance.

An extension of the eviction moratorium is NOT a solution to the myriad of problems at hand with distributing rental assistance.

PLEASE-I urge you, our elected policy makers, to give URGENT attention to addressing the administrative challenges with the rent relief program.

We need to re-open the application portal so renters can get the funds needed for safe-harbor protections.

We have the resources saved for these needs so please fund the rent assistance program and allocate all necessary resources needed to effectively get these monies to those in need

I implore you to PLEASE consider these measures and their prioritization.

Please know that I, my family, my industry colleagues and peers are proud to be part of such a noble profession – keeping roofs over families (a basic need)- and are *simply asking for the support of our elected lawmakers during these challenging times*. It is a difficult scenario for all involved. Know that we are always willing to partner in exploring concrete solutions together.

Thank you for the opportunity to provide this perspective.

Sincerely,

M. Scott Arena, CPM®

Director of Business Development

Income Property Management