

Good Afternoon –

Thank you for your patience. Due to unforeseen child illness I must convert my testimony from oral to written.

Co-Chair's Beyer, Fahey, Vice-Chairs Knopp, Wallan and Members of the Committee, thank you for this opportunity to share my experiences with you today.

My name is Robert Johnson. I live in Washington State, but am President & CEO of InterWest Properties, Inc., a second-generation family-owned housing provider since 1984. We manage 700 rental units for housing providers consisting primarily of single-family homes and small plex units with small apartment communities. Most of our housing is in the metro area of Portland, with others in Bend, The beach and the mid-valley area. Most of the housing providers we represent have only one or two properties; your housing policies directly affect each one of them.

COVID has had a major impact on our firm. We are financially responsible and operate debt free. However the moratorium reduced our income by more than 30%, forcing us to reduce some hours and ownership reduced their pay. However the eviction moratoriums encouraged many dozens of housing providers we represent to sell their investments or move into them.

Housing providers provide a service. When the service isn't profitable, they have the option to sell or move back in. This reduces supply at a time we need housing more than ever! You have declared a crisis after all. This reduced supply increases demand as fewer homes are available and the tenant has fewer options to rent. Considering another moratorium would only encourage even more investors to divest. This loss of revenue will necessitate a review of our workforce numbers – people will lose their jobs.

The state's response was unbalanced. It forced housing providers who perform a critical and necessary service to take the brunt of the pressure from COVID. There was a promise of payments from the beginning, but those payments were very slow, broken and expensive to administer. As of today we continue to wait for replacement checks for 8 families from OHCS written to the wrong ownership when the proper information was presented to the state for each of those families!

The legislative approach considering an extension of the emergency period and an additional extension to the moratorium will increase delay for payments to providers, increase costs to administer, further reduce accountability for the program administrations, and force distressed housing providers to sell.

Consider these undisputed market facts: home sale prices are at an all-time high, interest rates are at an all-time low, maintenance costs are at an all-time high, property taxes are increasing with insurance and utility costs also skyrocketing. The additional pressures from housing regulations designed to protect residents is actually doing the opposite! These homes are being

sold and you can't legislate the end to that. Housing Providers play the game voluntarily and are losing their patience to play.

All of the housing providers we represent agree – we desire mutually beneficial relationships with residents. We want to maintain our housing, we want to keep things clean and presentable. We want to encourage our residents hire us when they become future investors, and many have! This is done by being reasonable and responsive and we have been. But for more than 18 months and until March of 2022, many housing providers have been burdened and it's time to provide them with relief.

The real crisis we are facing is at our state housing agency. This is about basic good governance. We need legislators to call for accountability to get emergency rental assistance out the door. Our legislature has intervened three times and each time they have made the situation more complicated and more uncertain for renters and housing providers. Renters and housing providers have done their part, now it is time for the state to do its part: simply cut the correct checks now.

Thank you for your time and I am available to answer any questions you might have.

Sincerely,

Robert

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