



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

December 2, 2020

Dear Governor Brown,

On behalf of Multifamily NW, which represents more than 2,500 members who provide over 270,000 rental units in Oregon, I am reaching out to share our concerns related to statements made during the last meeting of your council of economic advisors. In this letter we also provide a series of policy proposals that can alleviate the state’s potential inability to allocate the necessary amount of emergency rental assistance.

In reviewing a recent session of the Governor’s Council of Economic Advisors, you correctly underscored that by intervening in the private market for housing the State has created an enormous unfunded liability. You quoted that one estimate of rental arrearages in Oregon at \$250-\$300 million, and you asked the group “does that make sense in terms of an investment in the short term for the state to step up and pay that?”

Oregonian renters and housing providers would be angered and disheartened by the response you received from economist Tim Duy, and your apparent agreement with his statement: “I don’t know that it’s possible for the state to make that investment, it’s probably too big, and I would probably let the bankruptcy courts deal with it and let the banks deal with it....you are going to have to accept that there are going to be costs to this pandemic that cannot be dealt with effectively by the state”

We find it extremely concerning that a member of your economic advisory council could make this statement without acknowledging the state’s role in generating the hundreds of millions of dollars in back due rent.

Throughout the pandemic, you have mandated that housing be provided free of charge, regardless if the renter has faced a financial hardship related to the COVID-19 virus. Due to your mandate many property owners, market and affordable, have gone without rent since April 2020.

Put another way, the question posed to your council of advisors could also have been “does that make sense in terms of an investment in the short term for the state to step up and preserve Oregon’s rental housing supply?”

In response to the council’s assertion that all financially imperiled housing providers should seek relief in bankruptcy, we are happy to offer alternative solutions that don’t result in a tenant losing housing or families losing their life savings.

Here are four concepts, in order of efficacy, that could be implemented as an alternative to letting Oregon housing inventory and small business community fall into bankruptcy:

- Design systems to distribute Rental Assistance efficiently and impartially across the state. If necessary, borrow to ensure that the rental assistance adequately covers the need. Note that the potential losses to housing providers is far more than the \$250 – 300 million cited above.
- Design a short-term loan program for households that cannot afford rent, with flexible repayment terms. (Note: Landlords are effectively being forced to act as an interest free lender to tenants.)
- Pass LC 881
- Design a State Income Tax Credit to substantially defray pandemic legislation-related losses using future, rather than present revenue.
- Consider Property Tax Relief for Property owners who have been subject to state takings.

Proposed legislative concept 18 does not address the root issues presented by HB 4213 and the eviction moratorium. It will further deepen the eviction and bankruptcy crisis for both housing providers and their residents.

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Multifamily NW remains committed to finding a workable resolution that addresses the vulnerabilities of both renters and housing providers. We hope that you and legislative leadership will reinstate a tenant and landlord workgroup to address the housing issues presented by COVID-19.

Sincerely,

A handwritten signature in black ink that reads "Deborah Imse". The signature is written in a cursive, flowing style.

Deborah Imse
Executive Director
Multifamily NW