



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

April 21, 2020

Mayor Ted Wheeler
1221 SW 4th Ave, Room 340
Portland, OR 97204

Dear Mayor Wheeler,

The most visible and devastating impact of the state’s stay-at-home order to protect us from the human health crisis has been mass layoffs. As of April 16, Oregon has had nearly 270,000 initial unemployment claims, with the Portland Metropolitan Area representing 80,037 new claims. The numbers continue to grow. Roughly 20 percent of these claims came from accommodation and food services sectors, followed by the arts and entertainment sector, services, construction, and health care. A disproportionate share of initial unemployment claims occurred for those aged 25-34 – the same population that is likely to rent their housing and have accumulated fewer financial reserves to withstand an interruption in household income.

Representing Housing Providers, our initial survey for April showed that as many as 18-20% of households in product types with service industry demographics were unable to pay rent, and requested some form of forbearance. We will not know until May and June rent cycles what the true financial impact is for our renters in Multnomah and Washington Counties, but the consensus is that the worst is yet to come.

The state’s stay-at-home order has imposed a much higher duty of care on housing providers than ever before, with housing representing an essential service, and all of the tenant population at home all of the time.

Because keeping tenants housed and keeping the housing safe, clean, and functional is a top priority, Multifamily NW has strongly advocated for Short Term Emergency Rental Assistance. Short Term Emergency Rental Assistance is the best mechanism to reduce the financial impact for households losing employment, and it enables housing providers to continue to provide adequate service.

What has changed during the pandemic at a property level?

High Priority and Emergency Services Requests – With increased wear and tear, properties are experiencing a dramatic increase in requests for maintenance on essential service items. That includes plumbing, electrical, cooking appliances, dish and clothes washing, refrigeration, unit security (locks, windows), access, ventilation and heat, etc. Additionally, companies are reporting more Emergency Maintenance, such as flooding, minor cooking fire damage, and building security issues.

Cleaning and Trash Removal – With intense use of common areas (elevators, common entries, mail rooms, laundry rooms, trash chute rooms) some companies are reporting triple the costs of maintaining these areas. Stocking sufficient supplies of EPA approved disinfectants, gloves, masks, and spray sanitizers has been an unanticipated expense.

Security Services – With increases in domestic disturbances and neighbor to neighbor disputes, calls for security services have increased more than 35%.

Demands on Site Employees – Site employees must coordinate the operations, continuing to process new move ins, communicating with residents, mediate conflict, prioritize maintenance and emergency calls, and oversee daily upkeep of critical systems. Without the financial ability to keep these essential employees working, rental housing rapidly becomes unsafe.

According to the *American Community Survey, 2018 data set*, renter-occupied units, with new construction, total approximately 125,500 in Portland. The chart below shows how much rental assistance will be needed at different levels of job loss:

EXECUTIVE DIRECTOR
Deborah Imse
deborah@multifamilynw.org

2020 BOARD OF DIRECTORS

PRESIDENT
Dan Mason
MG Properties

VICE PRESIDENT
Renee Larsen
Capital Property Management

SECRETARY
Sarah Vail
Jennings Group

TREASURER
Chris Hermanski
Mainlander Property Management

IMMEDIATE PAST PRESIDENT
Maureen MacNabb
Capital Property Management, Inc.

DIRECTORS

Maggie Banker
C&R Real Estate Services

Pamela Benoit
Reach CDC

Ken Brown
Rexius

Chris Duncan
Greystar

Greg Frick
HFO Investment Real Estate

Robin Hanson
Avenue5 Residential

Codi Kramer
Dalton Management, Inc.

Jesse Miller
Greystar

Jeremy Pool
PG Long Floorcovering

Jeff Reingold
Income Property Management

Peter Rose
Bristol Urban

Leah Sykes
GreenspoonMarder LLP



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

Portland (125,500 units)		
% Job Loss	# Units needing assistance	Rental Assistance per month at \$1,200
20%	25,100	\$30,120,000 / mo
30%	37,650	\$45,180,000 / mo
40%	50,200	\$60,240,000 / mo
Portland share of CARES Act Funding		\$114,000,000

Thankfully, flattening the curve of COVID – 19 in our region has been relatively successful in reducing the spread of the virus and serious harm. This has come at a very high price in terms of employment in the region. We recognize that some people are not going to get their unemployment in a timely manner, and there have also been delays in one-time stimulus funding. At the same time, it is seeming less likely that the Cares Act funding will need to be applied to new hospital beds, ventilators, and other emergency measures.

We recommend that the city of Portland direct sizable amount of the Cares Act funding toward Short Term Emergency Rental Assistance to keep our housing operational, and reduce the financial impact on resident.

Thank you,

Deborah Imse
Executive Director
Multifamily NW