

**From:**  
**To:** [Exhibits SHOUS](#)  
**Subject:** SB 608 Testimony  
**Date:** Monday, February 4, 2019 2:03:18 PM

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To Whom it Concerns in the Oregon Legislature:

I am writing to urge you to **oppose SB 608**, which would make Oregon the first state in the U.S. to impose state-wide rent control. SB 608, supposedly introduced to address the housing affordability crisis facing Oregon, threatens to make the problem much, much worse.

What we know about rent control:

- According to a 2018 study by Stanford University Business School Professors Rebecca Diamond and Tim McQuade, rent control leads to higher rents and fewer units overall.
- The same study concluded rent control has fueled the gentrification of San Francisco, the exact opposite of the city's intended goal.
- Renters with moderate to high incomes can take advantage of regulated units, since rent control is not means tested.
- Rent control leads to sub-par housing and lower-quality units by endangering the financial ability of a property owner to recoup the costs associated with maintenance and renovation.
- Economists agree that we need more housing, not more regulations that limit housing. We need to incentivize the building of more units, not handicap rental providers; and the best way to help struggling renters is through subsidies and tax incentives, not rent control.

Rent control, as SB 608 describes, discourages developers and investors from producing new rental housing, which is crucial to relieving the overwhelming pressure of demand on local housing markets. Owners of rent controlled housing will either convert their units to condominiums and sell them to preserve their quality and value or defer nonessential maintenance on their properties. These two consequences of rent control present immense threats to both the current and the future supply of rental housing that residents need.

Furthermore, rent control actually worsens the situation for low-income residents across the board. With almost no exceptions, rent control laws are not income-targeted, allowing anyone along the income spectrum to take advantage of rent restrictions regardless of need. These individuals remain in rent restricted units for as long as possible even if the space is larger than they require, creating a misallocation of housing resources. The remaining current residents along with individuals or families who wish to move into the state are forced to participate in the more expensive, unregulated market.

Finally, rent control costs local governments critical revenue as the assessed value of rent-controlled properties decline, and with it, the property taxes they generate.

There are proven, workable solutions that can address the affordable housing crisis now and in the future. By creating direct assistance programs for residents who have challenges paying their rent, and lowering barriers to apartment construction, local governments can unleash the potential of the apartment industry to relieve that pressure of demand with new supply. **SB 608 threatens to greatly harm the affordable housing situation in Oregon, and I urge you to reject it when it comes to the Senate floor.**

In addition to these important points, I also object to the proposal to end the tenant termination without cause option for property owners. This proposal is outrageous in the sense that it

violates a property owners right to end tenancy for any reason deemed appropriate to the circumstances. This remains a right of a tenant under this proposed legislation and it should be extended to landlords in the same manner as a matter of law and Constitutional right of property ownership of private corporations or individuals as it is at the present time.

Removing a landlords right to terminate tenancy without cause will have many unintended consequences to the rental tenants of whom the legislature is thinking it would protect. As an example, if termination of tenancy without cause is ended for property owners and landlords, such a loss of option will most certainly amplify the actions of property owners to hyper-screen new tenants. Those that don't have a perfect record, or no record because they are new rental tenants entering the market will get refused tenancy by many property owners simply because the landlord will no longer want to risk obtaining a problem tenant who may deserve eviction for being a poor neighbor or in other circumstances that then become up to a Court to decide but are hard to prove in certain cases. And many new tenants to the market may very well be excellent tenants deserving of consideration, but will be denied because they have no provable record of good tenancy.

**PLEASE REJECT ALL OF SB 608. THIS OVERREACHING AND HARMFUL LEGISLATION! IT IS VERY POORLY CONSTRUCTED AND WILL DO MORE HARM THAN GOOD TO THE RENTAL MARKET BECAUSE OF THESE CONSEQUENCES TO ENACTING IT AND MAKING IT LAW.**

Sincerely,

**Chuck F Wiese**  
**President**  
**Belmont Street Investments, LLC**  
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