

From:
To: [Exhibits SHOUS](#)
Subject: SB 608
Date: Friday, February 1, 2019 12:38:24 PM

I'm writing today to express my concern over SB 608 being voted on this coming Monday, February 4. As a rental housing provider I'm totally against this bill and urge the Senate to reject it for many reasons.

Research shows that rent control, in any form, has significant negative impact on the housing market. It reduces supply, reduces incentives for property owners to maintain existing properties, and therefore would make the housing market worse instead of better.

We should instead focus on ways to incentivize developers, both small and large, to create more housing rather than penalize them as SE 608 would do.

Taking this step would make Oregon the first state in the nation to implement statewide rent control. I do not want to become an example to the rest of the nation of how a bad law can wreck havoc on available housing, thereby further deepening a housing crisis!

I've listed a number of bullet points below, some of which repeat what I've already written.

Rent stabilization and rent control have significant negative impacts. Independent research shows that rent control/stabilization reduces supply, which is the opposite of what economists say is needed.

- This bill would make Oregon the first state in the nation to implement statewide rent control, and the results could actually end up making the housing crisis worse and hurting residents, not helping them.
- We need to incentivize the building of more units, not handicap rental providers. Economists say the best way to help struggling renters is through subsidies and tax incentives, not rent control/stabilization.
- Economists overwhelmingly agree that price controls on rent are inefficient, counterproductive and lead to serious negative impacts for housing markets.
- Rent stabilization and rent control have significant negative impacts on the condition and supply of existing rental housing.
- With limited ability to recover operational costs, owners may have to postpone or reduce investment in maintenance and improvements to rent-controlled properties. Over time, this lack of investment expedites the deterioration of these buildings and eventually leads to the loss of critically-needed rental housing. When price controls on rental housing are lifted, however, significant new investment in maintenance and rehabilitation takes place.

- To preserve the quality and value of their properties, owners may convert rent-restricted units to condominiums, housing not subject to rent control, or commercial property. This reduces housing supply.
- Rent control discourages the development of new rental housing which is crucial to restoring the balance between supply and demand in local housing markets.
- With no ability to earn a profit on their investment, developers are incentivized to take their dollars to other, non-rent-controlled states.
- Rent control costs local governments critical revenue as the assessed value of rent-controlled properties decline, and with it, the property taxes they generate.
- With almost no exceptions, rent control laws are not Income-targeted, allowing anyone along the Income spectrum to take advantage of these restrictions, regardless of need. Rent control can lead to Increased gentrification and a decline In low-Income residents.
- Administration and enforcement of rent control policies also require the creation of a large local government bureaucracy at a significant cost to the taxpayer for little benefit.

What does work? How can we help low-income residents in the short term *and* the long term? All of the examples below are used successfully in cities and states around the U.S.

Short-term solutions can help residents pay their rent:

- Local public-private partnerships that connect low- and middle-income residents to vacant, market-rate units and subsidize/reimburse the gap between the market-rate rent and the participant's rent payment through funds provided by the city, foundations, and employers.
- Direct, resident-based rental assistance programs for low-income individuals.
- Housing grants for rental assistance to low-income residents.
- Emergency rental assistance programs for people with past-due rent or who need help paying their first month's rent or security deposits.
- Property tax credits to cover the difference between the actual rent amount and what the renter is responsible for paying.
- Property tax abatement for the development of new rental housing, or rehabilitation of existing rental housing that is occupied by low and moderate-income individuals.
- State tax credits for those who contribute to a dedicated fund f

Thank you for carefully considering the ramifications of this legislation before voting. Passing this bill would be a grave mistake.

Sincerely,

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