

Rosenberg Corey

From: Rob Ross <robgreenflash@gmail.com>
Sent: Tuesday, May 02, 2017 8:14 PM
To: SHS Exhibits
Subject: HB 2004-A - Bad policy with bad consequences for tenants and small landlords

Dear Committee Members,

I writing to express that I do not support HB 2004-A and ask that the committee not pass the legislation.

This law will allow San Fransico style rent control which is a poster child of legislation with adverse unintended consequences that has harmed the very tenants it tried to protect and damage the rental house market. Rent Control will discourages small landlord from renting out their properties when available, and discourage investment in housing.

The current laws are balanced between the landlord's and tenant's rights and this legislation is clearly a punitive effort against landlords designed to give tenants more rights over a property than the actual owners. I am only a small landlord and if this passes I do not see how or why I will want to continue being a landlord in Oregon. As a legislator you need to ask yourself is this law fair or only popular because landlords represent fewer votes than tenant.

This legislation requires all fixed-term tenancies to continue indefinitely at the discretion of the tenant. This is just unfair in so many ways. For example, what if I have a building that I know I only want to rent for 2 years, under this legislation I could not enter into a lease agreement that explicitly says the lease will terminate in 2 years because at the end of the term I would be require by law to extend the lease for as long as the tenant likes unless I want to pay moving fees. I ask, if you invite a guest into your house do you think it should be your right to be able to ask them to leave at some point? This is no different than a landlord wanting to have some control over their property.

This legislations virtually eliminates Oregon's no-cause eviction law. No landlord want to remove a good tenant, and this legislation would make it more costly and expensive to remove problem tenants that are disrupting other good tenants in a building. These extra cost are ultimately passed on in increased rents because private landlord operate a business in the effort to make a living and a profit. In addition, with this years changes to Portland landlord tenant rules I have recently had to turn down an applicant that had a previous eviction, it was unfortunate because I think the person may have just had an acute issue that resulted in an eviction but over all was a good person, and in the past I would have given that person a chance and rent the place to them. However because Portland City Council has recently made it very costly to remove tenant I have changed my policy to not renting to anyone with a previous eviction. With, this legislation, there will be many more tenants with eviction since the only way to remove a tenant is through a court eviction, under current law a problem tenant can be asked to leave and they move on without a blemish on their record and the tenant's they were disturbing gets relief quicker and without having to testify in court.

The complexities and extra regulation will be a burden for small landlords that can't afford expensive legal council to help them navigate these new rules. Given that the consequences of violating any provision of this complex law (even if it was accidental and unintended), extend for 1 year after a tenant moves out and could be in excess of 3 month rent in damages making the risk of being a landlord very unattractive. Three months of rent in damages is often far more profit than a small landlord can expect to make in any give year. If this law passes many small landlord will be forced to turn over their properties to profession management to avoid these

financial risks which will increase operating cost by 8% to 15%. In time these cost will be passed onto the tenants causing pressures on rent. With the implementation of this law Oregon's landlord will change from many small landlords to a few faceless and less humane corporate owners.

In the past year, ever since rent control start to be discussed as an option in Portland, I have been reading everything I can find on the subject and I have not found a single article that fully supports this kind of policy. There are Nobel Laureate with very progressive politics who say that rent control does not work, in fact it seems that one of the few thing economist seem to agree on is that rent control is a bad idea and general hurts tenants and the housing market. Given the history and everything I have read I don't understand how anyone can argue that "Oregon's rent control will be different and will work!" If you haven't done any independent reading about the subject I encourage you to do so before you vote yes.

In summary this is a bad bill that harms small landlord business, strips property rights from owners and will not benefit the very tenants it is trying to protect. The legislator should be focusing on how to increase house supply, not passing bad policy, bad law with bad consequences.

As the minority position in this debate, I respectfully request that you vote no.

Robert Ross
robgreenflash@gmail.com
503 706 9103
PO Box 80522
Portland OR 97280