

Rosenberg Corey

From: Marty Mazurik <marty@martymazurik.com>
Sent: Thursday, May 04, 2017 3:49 PM
To: SHS Exhibits
Subject: FW: HB 2004A Testimony landlords, Ann & Martin Mazurik, Landlords

Dear Oregon Legislature:

In the past 25 years of being a landlord in Oregon, we have experienced our share of situations that have warranted a no-cause eviction, formerly 60-day, then 90-day.

These have included:

- Situations where the property was in need of update maintenance, and tenant is uncooperative to industry and trade personnel getting access, with properly provided 24-hour notice.
- Situations where tenants break rules of the lease, are given notices 14-day corrective, to then re-break and skirt the line
- Constant delinquent and late paying tenants
- Tenants who litter, cigarette butts, who keep dogs in their units (and claim they are visiting)

In business, it is important to have cooperative tenants, on occasion, there are tenants who dig in and ride the edge of noncooperation, knowingly. They don't breach the tenant contract, but these tenants are actually a menace to the apartment complexes as a whole.

Once one tenant sees a pet, they think "I can break the rules too", once one tenant starts littering or smoking tossing butts everywhere, then everyone feels its o.k. to do.

These 'problem tenants' once isolated, are NOT and should NOT be subject to an offer for a lease renewal.

That is good business.

Under the HB2005A, my understanding is that

- a) We cannot use the no-cause to terminate our business relationship with the tenant
This in and of itself violates our ability to conduct business via a contract. Contract law, our lease, is a 1-year renewable obligation both ways. We have obligations, the tenant has obligations. We have protections, the tenant has protections.
Effectively, by not allowing a no-cause notice to go out, you are extending what is a 1-year lease contract ... indefinitely.
This is unethical, non-standard business contract, and is affording a residential tenant "squatting rights" as to a continued relationship as we are now with a method to not renew a lease. We are having to renew the lease, as there is no longer a no-cause termination notice to end the relationship.
- b) Rent control, there is currently no reason to control a market driven housing environment with rent control. These enforcements, which I first heard about in Santa Monica, CA are not allowing rent increases to take place at the pace that will allow property owners to
 - a. Improve properties for the betterment of the tenants
 - b. Keep pace with increasing levies (school) and general property taxes in Multnomah county
 - c. Rising insurance costs
 - d. Rising Water costs

By attempting to mandate the rent, and rent increases that apartment owners are allowed to make you take basic economic freedom away from both the property owner, and the tenant that will pay the market rent amount for a well run and well managed place to live. These people are moving into Portland, whether we like it or not, the economic boom of High Tech startups, restauranteurs, and others that seek places close-in to Portland, will continue so to answer the need for affordable housing by mandating rent control is the government overstepping and overreaching, because they cannot and will not solve the problem for the displaced lower income tenants.

So the expansion and vibrancy of Portland, the new job and medium to high wage earners are coming and you will penalize the property owners with rent control.

This will lead to :

- 1) No SFRS (Houses) being rentable in Portland, with a low inventory and landlord with this type of rental will sell and take their money out of the Portland market
Net result: losses of hundreds (if not thousands) of houses for rent.
- 2) Apartment to Condo conversions – to get out of renting, landlords will cash in at 200, 300 and 400K per door and convert apartments to condos, as has been done in Los Angeles, NYC, San Diego, San Francisco, Seattle
Net result: losses of hundreds (if not thousands) of apartments for rent.

When you tie the hands of astute business people, by predicating what their profit should be (in effect narrowing the margins of profit, by enforcing rent control) they will take their chips off the table and move to a different market. I know I will, fair is fair and we didn't create the boom, so we should not be held as the culprit by having our business models and profits dictated to us.

c) Relocation payments state-wide.

Reiterating the points from a) and b) above ... no one is promising tenants a free ride to their next location. I never had my goods moved for me (except once, by a corporate relocation).

This is again, another penalty, for a landlord managing their business and doing business (free enterprise) with those customers that they want to do business with.

The safeguards afforded in being able to raise rents as we see fit to cover costs, and to not do business with unseemly characters that happened to slip into our properties is something the State of Oregon should continue to back landlords on.

Decency is decency, and nowhere in my rental agreement am I signing up for moving my tenant out. That is in essence what you are predicating with this concept.

If we need to displace a tenant, or if we raise the rent and they can't afford it, we need to move them.

This goes back to the phrase "they can't afford it". Translated: affordable housing.

In summary, I've heard these thing and shook my head in disbelief. Legislators have not in putting these concepts together in the name of human services been in the trenches for 20 years,

With my wife and I. Haven't suffered through vacancies in Inner SE after 2008 crisis, where we swap dollars and make zero profit.

Haven't had to evict tenants, that come in clean cut and enrolled in cooking school, to three months later be skinhead, tattooed and smoking crack with several non-tenants living in their units.

Don't pay the 13,000 per year for a 10 unit in taxes to hear about more school levies and taxes (non of which the tenants pay, the property owner pays).

So of course they (the tenants of Portland) can all vote these measures in, you can then fix the amount of rent increases we can make, tie our hands on getting unseemly characters out,

And then make us pay them \$4,500 for the trouble of getting access of our unit back.

I for one will not stand for it, and if the game is rigged against the property owner doing good business, I will take my business elsewhere.

The legislature should strongly consider the unintended consequences of these actions, some I listed, and others that result in more “us vs. them”, creating bottlenecks in the court systems, and more difficulty for renters in general doing business with landlords. When we have our backs against the wall, zero tolerance and non-friendly relations are the only results I can think come out of this.

Who are you trying to save here? Where has this been proved out to affect the tenants experiences? I believe you get the exact opposite effect of what you are after by engaging in legislative action to solve this particular housing supply and demand phenomena.

People come, shortages ensue, prices rise ... its simple supply and demand economics. None of these proposed law changes solve that very simple fact: it's supply and demand.

Landlords did not create homelessness, landlords for the most part aren't dumping people on the street. We are grateful for each of our tenants, and have good ones in our units. That is representative of most landlords experiences.

These law changes seem like you want to punish the many, for the few that may be clearing out their units and remodeling and jacking up rents (but again, isn't this America? Isn't the demand there for nicer units?) Why is the government allowed to step in and say “No”, you cannot conduct business that way its contributing to less affordable housing, and homelessness? That's absurd.

Homelessness is a different animal, of unemployed, indigent and mental health facility closure crisis. Affordable housing is the government having no answers and people having to move out of the inner city. Any attempt to paint that differently with these law changes feels wrong, anti-business and ultimately creates an “us vs. them” scenario with Landlords and Tenants that further festers the problems.

Please consider these laws as not in the best interest of anyone involved: tenant or landlord

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22 Rentals: Property owners of 10-plex, Mixed Use commercial-7 residential, 3 SFR rentals, in Multnomah County, Clackamas County and Linn County