

These premises of the bill are sound:

There is an imbalance between the supply of housing and demand for it

That shortage has multiple causes:

- Expensive to meet permitting and construction standards adopted by the State and local governments (especially Portland). For example, energy efficiency standards, system development feeds, transportation impact fees, and water and sewer utility fees.
- A steady influx of migrants from other states with well-paying jobs in Oregon. This is something Governors and Legislatures have hoped for for decades!

Of these two, the first is self-inflicted and the second is to be welcomed. More well paid employees means increased income tax revenues along with property tax payments.

Higher construction costs imposed on builders, especially multi-family developers, forces them to target “luxury” units with attendant higher rents. These rents skew so-called rent “surveys” which are NOT representative of the entire market because they omit “mom and pop” landlords. Mom and pop landlords provide roughly 2/3rds of ALL rental housing – mostly in existing buildings that command lower rent because they lack “luxuries.”

The tight rental market HAS attracted shady investors who use no cause evictions wholesale to clear newly purchased buildings. THAT IS A REAL PROBLEM.

No-cause evictions are a useful tool for conscientious landlords to use to protect their investment from damage and other tenants from harm. For example, a female tenant with a pedophile boyfriend in a family complex. The landlord’s most expedient recourse is to evict the female. The alternative is trying to get law enforcement to cite the boyfriend for frequenting sites with children. That would take months if not years during which all tenants with children will leave. Nevertheless, no cause evictions should be used sparingly.

For cause evictions will taint tenants subject to them. Those tenants will have great difficulty finding housing in the future.

HP 2004-A is an equal opportunity harm for landlords, tenants, and cities facing a housing crisis. It should not be adopted as is.

INSTEAD, the legislature should focus on preventing the anecdotal abuses it is reacting to.

First, a reasonable rent increase (with loopholes like Portland has) is a good TEMPORARY measure. HOWEVER, it should allow pass through of taxes and other city imposed fees and charges IN ADDITION to any allowance. If Cities can’t live within their means without raising taxes, they can’t expect landlords to do so.

Second, jurisdictions should be allowed to require that no-cause evictions be formally filed for a modest fee and their use monitored for abuse. Abuse of the procedure should be subject to penalties. Those should be similar to the 1-3 month relocation assistance provisions being proposed, payable into housing assistance fund. Infrequent users of no-cause evictions should not have to pay for relocation assistance. However, to protect tenants, their identity should be shielded from public view. No such protection should be afforded landlords to subject them to scrutiny.

Third, one of the drivers for escalating rents is accelerating property resales. The state should adopt a real estate transfer tax to capture some of those profits. That tax should be tied to an “ownership period,” such that it taxes “flippers” higher than long-time (more than 5 years) owners. It should also have a hardship exemption based on appeals so that homeowners forced to sell for financial reasons or because they relocate shortly after their purchase are not harmed.